

SAN FRANCISCO PUBLIC LIBRARY



3 1223 06447 2872

5/S



San Francisco Public Library

Government Information Center
San Francisco Public Library
100 Larkin Street, 5th Floor
San Francisco, CA 94102

REFERENCE BOOK

Not to be taken from the Library

SAN FRANCISCO PORT COMMISSION

Wilfred Hsu, President
Michael Hardeman, Vice President
Kimberly Brandon, Commissioner
Sue Bierman, Commissioner
Ann Lazarus, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

≡ AGENDA

REGULAR MEETING

3:00 P.M., TUESDAY, NOVEMBER 9, 2004
PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk.

1. CALL TO ORDER / ROLL CALL

DOCUMENTS DEPT.

2. APPROVAL OF MINUTES - October 26, 2004 Meeting

NOV - 5 2004

3. EXECUTIVE

SAN FRANCISCO
PUBLIC LIBRARY

A. Executive Director's Report

- Beautification Award for Pier 1 by San Francisco Beautiful

11-05-04 P04101 NEW

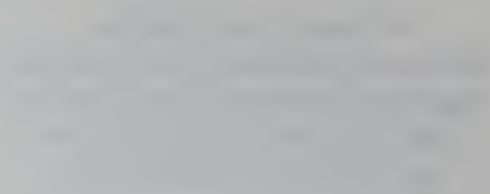
4. CONSENT

- ##### A. Request approval of \$6,450 rent credit for Baydelta Maritime to relocate tenant equipment from deteriorated substructure area at Pier 15 for which Port has repair and maintenance obligation pursuant to Lease No. L-12984. (Resolution No. 04-92)

5. ADMINISTRATIVE SERVICES

- ##### A. Request authorization to award a grant contract for Youth Employment Program to San Francisco Conservation Corps (SFCC). (Resolution No. 04-90)

- ##### B. Request adoption of the Port's Proposed Surplus Furniture, Fixtures and Equipment Policy. (Resolution No. 04-91)



THE UNIVERSITY OF MICHIGAN LIBRARY



THE UNIVERSITY OF MICHIGAN LIBRARY

THE UNIVERSITY OF MICHIGAN LIBRARY

THE UNIVERSITY OF MICHIGAN LIBRARY

THE UNIVERSITY OF MICHIGAN LIBRARY

THE UNIVERSITY OF MICHIGAN LIBRARY

THE UNIVERSITY OF MICHIGAN LIBRARY

THE UNIVERSITY OF MICHIGAN LIBRARY

6. ENGINEERING & MAINTENANCE

- A. Request approval to award the Construction Contract No. 2697, "Embarcadero Promenade Improvements," to Valentine Corporation. (Resolution No.04-93)

7. REAL ESTATE

- A. Request authorization to approve settlement of the unlawful detainer lawsuit entitled "City and County of San Francisco v. California Foundation on the Environment and the Economy, Inc.," Superior Court of California, County of San Francisco, Case No. 04-611219, under the terms set forth in the form on file with the Secretary of the Port Commission and in the form approved by the City Attorney's Office. (Resolution No. 04-94)

8. PLANNING & DEVELOPMENT

ITEM 8A WILL BE HEARD NO EARLIER THAN 4 P.M.

- A. Request approval for the Port Commission to endorse the terms of the Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project and approve a Third Amendment to the Exclusive Right to Negotiate with SF Piers 27-31, LLC (Site location: Piers 27-31, on the Embarcadero between Bay and Battery Streets). (Resolution No. 04-95)
- B. Request authorization to increase the contract amount with the consultant team led by Bay Area Economics, Inc. (BAE) for an additional \$112,300 and to execute a fourth amendment for Real Estate Consulting Services for the Piers 27-31 Mixed Use Recreation Project for \$112,300. (Resolution No.04-96)

9. NEW BUSINESS / AGENDA SETTING

- ◆ New Business
- ◆ Agenda Setting (Targeted Commission meeting, subject to change)
 - Request authorization to issue a Request for Proposals for Habitat Restoration at Heron's Head Park. (December 14, 2004)
 - Request approval of the Work Product Provisions with Stanford Hospitality, Inc. for the Embarcadero Hotel Project at Broadway on Seawall Lots 323, 324 and 322-1. (December 14, 2004)
 - Informational Presentation on Cruise Ship Discharge Report Program. (December 14, 2004)
 - Request to award the Pier 80 Security Enhancement TSA Grant 3 Project, Contract No. 2696. (December 14, 2004)
 - Request to award the Pier 47 Under Deck Fire Protection Project, Contract No. 2678. (December 14, 2004)

- Request to award the Pier 43 Ferry Arch Improvements Project, Contract No. 2687. (December 14, 2004)
- Request approval of the early exercise of International Museum of Women's (IMOW) option to extend the original ERN term by twelve (12) months and revised Performance Benchmarks extending to June 2006 (December 14, 2004)
- Request approval of the Memorandum of Understanding with Muni for bus assembly and repair at Pier 15. (December 14, 2004)
- Request approval of Street Use Policy. (January 2005)
- Request approval of Historic Vessel Policy. (February 2005)

10. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.

*This session is closed to any non-City/Port representative. **

a. Property: Piers 27-31

Person Negotiating: Port: Byron Rhett, Director of Planning & Development

*Piers 27-31 LLC: Steve Jacobsen

Under Negotiation: _____ Price _____ Terms of Payment X Both

An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

b. Property: Pier 15 and 17 (at Embarcadero)

Person Negotiating: Port: Byron Rhett, Director of Planning & Development

*Exploratorium: Dr. Goéry Delacôte

Under Negotiation: _____ Price _____ Terms of Payment X Both

An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 15 and 17 (at Embarcadero).

c. Property: Pier 26

Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*International Museum of Women: Chris Yelton, Executive Director

Under Negotiation: _____ Price _____ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 26.

d. Property: Pier 9

Person Negotiating: Port: Peter Dailey, Director of Maritime
*San Francisco Bar Pilots: Peter McIsaac

Under Negotiation: _____ Price _____ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 9.

12. RECONVENE IN OPEN SESSION

- A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.
- B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

13. ADJOURNMENT

NOVEMBER/DECEMBER 2004
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
November 9	3:00 p.m.	Port Commission	Port Commission Room @ Ferry Building
December 14	3:00 p.m.	Port Commission	Port Commission Room @ Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. *The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.* Contact Amy Quesada at 274-0406.

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tom Evans, Redevelopment Agency, at 749-2539 or tom.evans@sfgov.org for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 - 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tom Evans, Redevelopment Agency, at 749-2539 or tom.evans@sfgov.org for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets jointly with BCDC's Design Review Board on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. or the Committee meets as needed on the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

The Port Permit Appeals Committee meets regularly on the first Thursday of June and December of the year. The next regular meeting on December 2, 2004 is postponed until the next regular meeting. For further information contact Ed Byrne at 274-0570 or Dan Hodapp at 274-0625.

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

- A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
- B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets.
- C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. & Drumm St.

Pier 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall, the San Francisco Public Library or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at <http://www.sfgov.org/sunshine.htm>

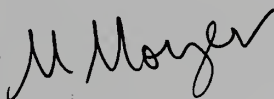
Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.



MEMORANDUM

November 4, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Sue Bierman, Commissioner
Hon. Kimberly Brandon, Commissioner
Hon. Ann Lazarus, Commissioner

FROM: Monique Moyer
Executive Director 

SUBJECT: Approval of \$6,450 Rent Credit for Baydelta Maritime to Relocate Tenant Equipment from Deteriorated Substructure Area at Pier 15 for which Port has Repair and Maintenance Obligation Pursuant to Lease No. L-12984

DIRECTOR'S RECOMMENDATION: Approve Resolution

BACKGROUND

Baydelta Maritime ("Baydelta") currently operates a tugboat and marine services operation at Pier 15 under Port Lease No. L-12984. The original term of the lease is for ten years through November 30, 2010.

Pursuant to the Port's Structural Facility Condition Survey Policy, a Rapid Structural Assessment of Pier 15 was performed by the Port's Structural Engineering Group. The inspection findings are contained in the Rapid Structural Assessment Report dated September 9, 2004. The Report cited a portion of the substructure beneath the Pier 15 shed building to be unsafe and not capable of sustaining live loads associated with the current use. Specifically, Baydelta currently has 2 ocean-going storage containers located in the unsafe area.

The problematic loading represented by these 2 containers can be addressed to the satisfaction of Port Engineering by shifting the 2 containers to span the unsafe area. Shifting the 2 containers requires relocating electrical service and air compressor service and offloading and then re-loading the containers. While Port Maintenance can do this work for approximately \$10,000, Baydelta has submitted a \$6,450 estimate for the same work. Citing increased liability, a reduced cost and limited Port resources, Port Maintenance recommends allowing Baydelta to perform this work. Baydelta has proposed to undertake the repairs for a rent credit against Baydelta's monthly Base Rent of \$9,241.26.

THIS PRINT COVERS CALENDAR ITEM NO. 4A

RECOMMENDATION

In order to expedite the required relocation in a timely manner at a significant savings to the Port, Port staff recommends that the Port Commission approve a rent credit to Baydelta in the amount of \$6,450.00. Staff further recommends applying this amount in lump sum against a portion of one-month base rent.

Prepared by: Phil Williamson
Senior Property Manager

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 04-92

- WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and
- WHEREAS, by Resolution No. 99-20 the Port Commission approved the terms of Lease No. L-12984 with Baydelta Maritime ("Baydelta"); and
- WHEREAS, the Port's Structural Engineering Group conducted a structural inspection of Pier 15; and
- WHEREAS, pursuant to the inspection findings contained in the Port's Rapid Structural Assessment, dated September 9, 2004, portions of the Pier 15 substructure beneath the shed building were found to be unsafe and not capable of sustaining live loads associated with the current use; and
- WHEREAS, pursuant to the Lease, the repair and maintenance responsibilities of the Pier 15 substructure beneath the shed building are the obligation of the Port, and
- WHEREAS, the Port's Maintenance Division has prepared a \$10,000 cost estimate to relocate Baydelta's equipment from the unsafe area, and
- WHEREAS, Baydelta has provided the Port with a \$6,450 cost estimate to relocate Baydelta's equipment from the unsafe area and has proposed to undertake the repairs for a rent credit against Baydelta's Base Rent obligation under the Lease; now, therefore, be it
- RESOLVED, that the San Francisco Port Commission hereby authorizes the Executive Director to credit the amount of \$6,450.00 to Baydelta to be applied against a portion of the Baydelta's monthly Base Rent obligation as set forth in Lease No. L-12984 in consideration of Baydelta relocating its equipment as described in the staff report to this Commission for this item.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 9, 2004.

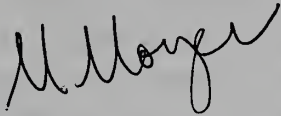
Secretary



MEMORANDUM

November 4, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice-President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique A. Moyer
Executive Director 

SUBJECT: Authorization to award a grant contract for *Youth Employment Program* to San Francisco Conservation Corps (SFCC).

DIRECTOR'S RECOMMENDATION: AUTHORIZE THE EXECUTIVE DIRECTOR TO AWARD A GRANT CONTRACT FOR THE PORT'S YOUTH EMPLOYMENT PROGRAM TO SAN FRANCISCO CONSERVATION CORPS (SFCC).

Introduction

The Port staff requests Commission authorization to award a grant contract to the San Francisco Conservation Corps (SFCC), a community-based non-profit organization dedicated to offering young people the opportunities to develop themselves, their academic abilities and marketable job skills while addressing community needs through service work. Under the proposed grant contract, SFCC will manage the Port's new youth employment program to help maintain the Port's property, and subsequently, for four years from the date of contract execution, depending on the availability of funds.

Background

On August 31, 2004, the Port Commission adopted Resolution No. 04-72, authorizing Port staff to issue a *Request for Proposals* (RFP) to organize, implement, and administer a youth employment program to help maintain the Port's property. Maintenance activities would include weed abatement, hand watering and manual fertilization of Port plants, graffiti removal, and litter removal. The selected contractor will recruit, hire, provide work readiness training, and supervision for the youth employees. Port staff will assign specific Port areas to maintain each week to the contractor. Port staff will inspect the areas to determine performance levels and consult with the Contractor to assure acceptable service performance levels are maintained. Port staff will provide the contractor with the supplies used by the youth employees such as vests, hats, bags, and brooms.

This Print Covers Calendar Item No. 5A



THE UNIVERSITY OF

THE STATE OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

THE UNIVERSITY OF

Selection Process

The Port issued the RFP on September 1, 2004. Port staff sent copies of the RFP to 19 non-profit organizations and posted it on the Port's website and the Department of Children, Youth and their Families website. Seven organizations attended a pre-proposal conference on September 9, 2004. On September 22, 2004 we received proposals from four non-profit organizations: Enterprise for High School Students, Larkin Street Youth Services, SFCRUE and San Francisco Conservation Corps. Subsequently, we learned that Young Community Developers was interested in submitting a proposal but hadn't heard about the Port's RFP until after the deadline. We extended the proposal deadline to October 15, 2004 to allow Young Community Developers to submit a proposal. Young Community Developers submitted a proposal on October 15, 2004.

A three-person selection panel consisting of Chris Montgomery, a manager from DPW's street cleaning bureau, Brad Benson, the Port's Youth Employment contract manager, and Aumijo Gomes, Director of New Ways Workers-San Francisco Youth Works Program scored the proposals and interviewed the five candidate organizations on October 28, 2004. Panelists ranked the organizations based on the qualifications of program staff, understanding of the Port's proposed youth employment program, the organization's recent youth employment program experience, workload and staff availability, outreach approach to identify economically disadvantaged and/or at-risk youth ages 16 to 24, and the organizations' policies to manage problem behavior. Using both the proposal and interview scores, San Francisco Conservation Corps (SFCC) had the highest score of 548 out of a possible 600. The next highest ranking organization had a total score of 528. Accordingly, the panel recommended awarding the contract to SFCC.

Contract Value, Funding and Duration

The Port has \$150,000 in its FY 2004-05 budget for a youth employment program. In accordance with the desires of the Port Commission and the terms of the RFP, Port staff proposes to award a four-year contract to SFCC. The grant contract term would be November 23, 2004 to June 30, 2008. The scope of services provided after FY 2004/05 will be determined in accordance with the amount of funds available in subsequent operating budgets, with a total contract value not-to-exceed \$600,000 (\$150,000/year for four years).

Summary

Port staff recommends that the Commission authorize the award of a four-year grant contract to the San Francisco Conservation Corps to organize, implement, and administer a youth employment program to help maintain the Port's property, up to a not-to-exceed value of \$150,000 annually or \$600,000 for four years.

Prepared by: Tina Olson, Deputy Director, Finance and Administration

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 04-90**

- WHEREAS, the Port Commission, at its regular meeting of August 31, 2004, authorized Port staff to issue a Request for Proposals to organize, implement, and administer a youth employment program to help maintain the Port's property; and
- WHEREAS, On September 21, 2004, the Port received four proposals in response to the Request for Proposals ("RFP"); and
- WHEREAS, On October 5, 2004, the Port extended the proposal deadline to October 15, 2004; and
- WHEREAS, On October 15, 2004, the Port received one additional proposal for a total of five proposals; and
- WHEREAS, Port staff completed a review of the RFP responses and a competitive selection process resulting in a recommendation that the Port award a grant contract to the San Francisco Conservation Corps; and
- WHEREAS, the Port has allocated \$150,000 for fiscal year 2004/05 to fund this program; and
- WHEREAS, subject to availability of funding, the Port may allocate funds in subsequent years to continue the youth employment program; now, therefore be it
- RESOLVED, that the Port Commission hereby authorizes Port staff to award a contract to the San Francisco Conservation Corps to provide, organize, implement, and administer a youth employment program to help maintain the Port's property on an annual basis, for a contract amount not to exceed \$150,000 per year and an aggregate total amount not to exceed \$600,000 during a four-year term.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 9, 2004.

Secretary



MEMORANDUM

November 4, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Susan Bierman
Hon. Kimberly Brandon
Hon. Ann Lazarus

FROM: Monique A. Moyer *M. Moyer*
Executive Director

SUBJECT: Adoption of the Port's Proposed Surplus Furniture, Fixtures and Equipment Policy

After the controversy over the Port's sale of an old pile rig last year and the recent reduction of the Port's fleet of vehicles, we realized that the Port didn't have a policy related to selling or disposing of surplus furniture, fixtures and equipment. As a result, I directed staff to develop such a policy that it would follow to decide whether to sell or otherwise dispose of Port-owned furniture, fixtures, and equipment.

Staff from all of the Port divisions helped draft the attached Proposed Surplus Furniture, Fixtures, and Equipment Policy. The proposed Policy identifies those items that the Port can decide to sell or dispose of because they aren't old or unique enough to warrant review for historic value such as Port cars and trucks. In addition, it allows Port staff to dispose of debris. Items 45-years or older and/or have a unique function at the Port could have historic value. In which case, the proposed policy identifies the steps required before the Port can sell or dispose of those items. Finally, we attached a list of possible types of Port furniture, fixtures and equipment that could have historic value to the proposed Policy.

We recommend that you approve this proposed Surplus Furniture, Fixtures and Equipment Policy.

Prepared by: Tina Olson
Deputy Director, Finance and Administration

This Print Covers Calendar Item No. 5B

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 04-91

- WHEREAS, The Port of San Francisco has not had a policy outlining the steps staff must take to determine whether they can sell or dispose of surplus furniture, fixtures, and equipment; and
- WHEREAS, Port staff has drafted a Surplus Furniture, Fixtures and Equipment that identifies items that the Port can sell or dispose of without going to the Commission; and
- WHEREAS, the proposed Surplus Furniture, Fixtures and Equipment Policy identifies the process that the Port will undergo prior to selling items that have historic value; and
- WHEREAS, such a process will include the Commission's approval prior to selling or disposing of items that have historic value; and now, therefore be it
- RESOLVED, that the Port Commission approves the Port's Proposed Surplus Furniture, Fixtures and Equipment Policy.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 9, 2004.

Secretary

Proposed Surplus Furniture, Fixtures and Equipment Policy

Port of San Francisco

Staff at the Port of San Francisco will use the following criteria to decide whether Port-owned furniture, fixtures, or equipment¹ is surplus and can be sold or otherwise disposed of:

1. Furniture, fixture, or equipment is fully depreciated as determined by the Port's Accounting Division. The cost to repair the item is greater than its replacement value, or the technology of a replacement item has significantly improved and is less than the annual cost to repair it. For example, the Port would get an estimate that it would cost \$5,000 to repair one of its vehicles but the blue book value is \$3,000. So, we decide to sell or give the vehicle away and buy a new one.
2. The item(s) is debris that would otherwise be hauled off and/or recycled.
3. The item does not provide a unique function at the Port.
4. The item is no more than 45-years old. Items 45-years or older should be considered for possible historic value and alternate disposal or preservation, where appropriate.

Prior to actually selling or disposing of items that meet any of the above criteria, each Port division must review and approve of the proposed sale or disposal in order to determine if another Port division can use the item in question. The Port's Fiscal Officer also needs to give written approval of the proposed sale or disposition to verify the item's depreciation status. There will be an interdivisional sign-off sheet of the Port's Directors to verify their approval.

Surplus Property with Historic Value

In addition to the above surplus procedures and specifications, the sale or disposal of surplus property deemed to have historic value due to its age (45 years or older) and/or unique maritime or rail-related function shall be subject to the following process:

1. The Port division that proposes the sale or disposal shall seek the Port Commission's prior approval of the sale or disposal. The Commission may approve, reject or delay their decision on the proposal.
2. 60-days prior to the Commission report, the Port division which proposes the sale or disposal, shall send a submittal to the President of the Landmark's Board, the Port's Director of Planning and Development, and interested citizens groups for their review and comment. Interested parties need to do the following within that 60-day timeframe:
 - ◆ Take all the desired photos and/or videos of the object under consideration and any related documentation.
 - ◆ Develop a maintenance plan and identify funding to help the Port maintain the item(s) if they wish the Port to keep the historic item(s).
 - ◆ Must provide a detailed plan on the use of the item, to include how it will get relocated/transferred and by whom.
 - ◆ Demonstrate/provide proof that all necessary funding to demolish, move, retrofit, reinstall, maintain, etc. is secure.

¹ Artwork is not furniture, fixtures or equipment and therefore not subject to this policy.

- ◆ Secure all necessary agreements from regulating agencies, property owners, etc. to where the item will be relocated, along with the time-line for relocation.
- ◆ Sign a contract that the item is take “as-is”, releasing the Port from any further or future liability to the item, particularly if the entity taking ownership defaults or enters bankruptcy.
- ◆ Demonstrate that they are diligently pursuing a plan that requires more time to complete. In such cases, the Port’s Executive Director can grant more than 60-days to complete any of the actions noted above.

List of Possible Port Furniture, Fixtures and Equipment that Could have Historic Value

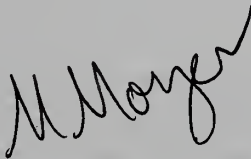
- Durable fixtures, furniture from Port buildings such as clocks, doorknobs, light fixtures, desks, chairs and filing cabinets.
- Boats
- Maritime or berthing related fixtures and machinery such as cleats, pile rigs and cranes, and signage.
- Maintenance Tools (including gear used for waterfront labor, such as underwater diving suits)
- Railroad equipment
- Does not include files, documents, plans or photos that are included in the Port's records retention and archive policy.



MEMORANDUM

November 3, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director 

SUBJECT: Award Construction Contract No. 2697 "Embarcadero Promenade Improvements" to Valentine Corporation

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO AWARD CONTRACT NO. 2697, "EMBARCADERO PROMENADE IMPROVEMENTS," TO VALENTINE CORPORATION

INTRODUCTION

Through Commission Resolution No. 02-62, the Port Commission authorized Port staff to solicit competitive bids from contractors to replace a 4-foot high concrete wall and chain link fence along 420 feet of the Embarcadero Promenade with a decorative railing that is designed consistent with other roadway and promenade improvements. On October 28, 2004, staff received and reviewed three (3) bids, and determined the lowest responsive and responsible bidder to be Valentine Corporation. The Bid Summary Table is included herein as Exhibit A.

BACKGROUND

The Embarcadero Promenade Pedestrian Improvements project is part of the large Embarcadero Roadway urban renewal project. This project will open a portion of the San Francisco waterfront to create views of the San Francisco Bay from the Embarcadero Roadway, Promenade, and streetcar platforms. It will also enhance attractiveness of the Promenade near the Pier 24 Annex and Rincon Park.

SUMMARY OF BIDS

The Engineer's construction estimate for this project is \$310,000. The Human Rights Commission staff set the Disadvantaged Business Enterprise ("DBE") goal for this project at 16.5% of the base bid and selected alternative.

This Print Covers Calendar Item No. 6A

Port staff published the invitation for bids on July 29, 2004, and held a pre-bid conference on August 10, 2004 at the Bayside 1 conference room. Port staff received three (3) bids on October 28, 2004. The Port Engineering and Human Rights Commission staff reviewed the bids and have determined that Valentine Corporation is the lowest responsive, responsible bidder with a Total Bid Price of \$236,369 and meets the DBE goal. The Total Bid Price submitted by Valentine Corporation does not exceed the construction budget amount, so additive Alternate 1 of \$80,000 is included in the award for Total Award Price of \$316,369.

FUNDING

The funding sources for this project are as follows:

Port Capital Funds	\$127,000
Federal Transit Administration Grant	\$226,000
Total:	\$353,000

RECOMMENDATION

The Executive Director recommends that the Commission authorize Port staff to award Contract No. 2697 to Valentine Corporation for the amount of \$316,369, plus a 10% contingency of \$31,637, and that the Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Kim von Blohn, Project Manager
For: Edward F. Byrne, Acting Chief Harbor Engineer

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 04-93**

- WHEREAS, the Port Commission, at its meeting on December 12, 2002 authorized the advertisement of the construction contract for the Embarcadero Promenade Improvements (Resolution No. 02-62); and
- WHEREAS, Port staff published the solicitation for bids on July 29, 2004; and
- WHEREAS, Port staff received three (3) bids on October 28, 2004; and
- WHEREAS, the Port Engineering and the Human Rights Commission staff have reviewed the bids and determined that Valentine Corporation is the lowest responsive, responsible bidder; and
- WHEREAS, Valentine Corporation's Total Bid Price, including the additive alternative is \$316,369 and its bid meets the Disadvantaged Business Enterprise ("DBE") subcontracting goal applicable to this project; and
- WHEREAS, the Total Bid Price submitted by Valentine Corporation does not exceed the construction budget amount of \$353,000; and
- WHEREAS, the project cost will be funded from Port Capital Funds and a Federal Transit Administration Grant; now, therefore be it
- RESOLVED, the Port Commission hereby authorizes Port staff to award construction Contract No. 2697 for the Embarcadero Promenade Improvements to Valentine Corporation for the amount of \$316,369, plus a 10% contingency of \$31,637; and be it further
- RESOLVED, the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 9, 2004.

Secretary

EMBARCADERO PROMONADE IMPROVEMENTS CONTRACT NO. 2697
EXHIBIT A - BID SUMMARY RESULT 10/28/04

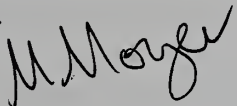
		W. Chapot Construction Company 2023 Clement Street #3, Alameda. CA 94501-1317	Angotti & Reilly 1000 Mariposa Street, San Francisco, CA 94107-2520	Valentine Corporation P.O. Box 9337, San Rafael, CA 94912
BID ITEM	BID ITEM DESCRIPTION	Lump Sum Price	Lump Sum Price	Lump Sum Price
1	Area A: Demolish existing concrete wall	\$90,000	\$230,383	\$110,369
2	Area A: Furnish and install guardrail	\$249,000	\$177,617	\$116,000
3	Allowance for mobilization	\$10,000	\$10,000	\$10,000
TOTAL BID PRICE (Items 1-3)		\$349,000	\$418,000	\$236,369
A1	Area B: Remove chain link fence, furnish and install guardrail	\$100,900	\$155,000	\$80,000
Grand Total = Total Bid Price (items 1-3) plus Alternate #1		\$449,900	\$573,000	\$316,369
Project Manager: Kim von Blohn				APPARENT LOW BIDDER



MEMORANDUM

November 4, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner
Hon. Ann Lazarus, Commissioner

FROM: Monique A. Moyer
Executive Director 

SUBJECT: Request Authorization to Approve Settlement Agreement of the unlawful detainer lawsuit entitled "City and County of San Francisco v. California Foundation on the Environment and the Economy, Inc.," Superior Court of California, County of San Francisco, Case No. 04-611219, under the terms set forth in the form on file with the Secretary of the Port Commission and in the form approved by the City Attorney's Office.

DIRECTOR'S RECOMMENDATION: Approve Settlement Agreement to Lease No. L-12606 of an unlawful detainer lawsuit entitled "City and County of San Francisco v. California Foundation on the Environment and the Economy, Inc.," Superior Court of California, County of San Francisco, Case No. 04-611219.

BACKGROUND:

Pursuant to Port Commission Resolution No. 98-76, the Port and the California Foundation on the Environment and the Economy ("CFEE") entered into a five year lease for second floor office space located in the bulkhead portion of Pier 35 to be effective September 1, 1999. On June 10, 1999, said lease was amended to provide CFEE an option for additional term and to require CFEE to install up to \$50,000 of improvements to bring the facility common areas into compliance with the provisions of the Americans with Disabilities Act. Further, the First Amendment revised the effective date to November 1, 1999.

Pursuant to Port Commission Resolution No. 99-94, the Port approved a sublease of 60% of the premises to Contra Integrated, Inc. effective 11/1/99. Section 21.4c of Lease No. L-12606 states that CFEE shall be entitled to sublease up to 50% of the premises without the obligation to pay additional rent to Port. The excess sublease rent of approximately \$66,361.68 remains outstanding and is hereby addressed as part of this settlement agreement.

This Print Covers Calendar Item No. Item 7A

Tenant's lease provides for reimbursement of certain Tenant improvement costs via a rent credit mechanism. Tenant believed the Port had previously certified \$41,296.05 in rent credits and Tenant proceeded to pay monthly rent less the perceived monthly credit allowance. However, as the Port in fact had not certified said improvement costs, on July 28, 2004, the Port commenced an unlawful detainer action against CFEE for non-payment of rent totaling \$40,143.20.

The Port and CFEE wish to enter into a settlement agreement in order to resolve their dispute without further litigation (the "Settlement Agreement").

PROPOSED SETTLEMENT AGREEMENT:

Port and CFEE have agreed to resolve their dispute under the terms set forth in the Settlement Agreement. Material terms of the Settlement Agreement include the following:

1. CFEE agrees to pay full arrearage of \$40,143.20.
2. Port agrees that the amount of certified rent credits is \$41,296.05.
3. Port agrees to offset the excess sublease rent of \$66,361.68 with the certified rent credit amount of \$41,296.05 leaving minimum balance due Port of \$25,065.63.
4. CFEE agrees to pay \$15,188.83 towards remaining balance due Port leaving a remaining balance due Port of \$9,876.80.
5. Port agrees to accept CFEE's letter dated 8/19/04 as proper and effective notice of CFEE's intent to exercise its option to extend the term until October 31, 2006.
6. CFEE agrees that monthly Base Rent shall be increased from the current \$1.47/s.f. to \$1.61/s.f. for the 1st option year and to \$1.71/s.f. for the 2nd option year. The monthly Base Rent for the Premises as described herein has been adjusted to compensate Port for the remaining balance due Port as described in Paragraph 4 above.
7. CFEE agrees to pay Port excess sublease rent as stated in lease Section 21.4c for the option period.

STAFF RECOMMENDATION:

Staff recommends that the Port Commission approve the unlawful detainer lawsuit entitled "City and County of San Francisco v. California Foundation on the Environment and the Economy, Inc.," Superior Court of California, County of San Francisco, Case No. 04-611219, under the terms set forth in the form on file with the Secretary of the Port Commission and in the form approved by the City Attorney's Office.

Prepared by: Phil Williamson, Senior Property Manager

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 04-94

- WHEREAS,** Section B3.581 of the Charter of the City and County of San Francisco empowers the San Francisco Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port Jurisdiction; and
- WHEREAS,** On November 1, 1999, the California Foundation on the Environment and the Economy ("CFEE") entered into a five (5) year lease with the Port for approximately 5,827 square feet of office space located at Pier 35 (Resolution No. 98-76); and
- WHEREAS,** On November 1, 1999, the Port Commission (Resolution No. 99-94) approved a five (5) year sublease between CFEE and Contra Integrated, Inc. for approximately 3,512 square feet of office space located within the CFEE Premises at Pier 35; and
- WHEREAS,** CFEE is in default for non-payment of rent totaling \$40,143.20; and
- WHEREAS,** As a result of CFEE's default, the Port instructed the City Attorney's Office to commence an unlawful detainer lawsuit against CFEE; and
- WHEREAS,** Port and CFEE wish to enter into a settlement agreement in order to resolve their dispute without further litigation (the "Settlement Agreement"); now therefore be it
- RESOLVED,** that the San Francisco Port Commission hereby authorizes and directs the Port's Executive Director to execute the Settlement Agreement in the unlawful detainer lawsuit entitled "City and County of San Francisco v. California Foundation on the Environment and the Economy, Inc.", Superior Court of California, County of San Francisco, Case No. 04-611219, under the terms set forth in the form on file with the Secretary of the Port Commission and in the form approved by the City Attorney's Office.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 9, 2004.

Secretary



MEMORANDUM

November 5, 2004

TO: MEMBERS, PORT COMMISSION

Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

pad fr

SUBJECT: Endorse the Terms of a Revised Development Memorandum with SF Piers 27-31, LLC for the Piers 27-31 Mixed Use Recreation Project, including a project description, a site plan and financial terms, the project description to be studied for CEQA purposes as the Revised Preferred Alternative Project, and Conditionally Approve a Third Amendment to Exclusive Right to Negotiate with SF Piers 27-31, LLC (Site Location: Piers 27-31, located on The Embarcadero, between Bay and Battery Streets)

DIRECTOR'S RECOMMENDATIONS: ENDORSE THE TERMS OF A REVISED DEVELOPMENT MEMORANDUM, INCLUDING A PROJECT DESCRIPTION, A SITE PLAN AND FINANCIAL TERMS, THE PROJECT DESCRIPTION TO BE STUDIED FOR CEQA PURPOSES AS THE REVISED PREFERRED ALTERNATIVE PROJECT; AND CONDITIONALLY APPROVE THE THIRD AMENDMENT TO THE EXCLUSIVE RIGHT TO NEGOTIATE WITH SF PIERS 27-31, LLC.

This Staff Report and its Exhibits will cover the following topics:

- I. Executive Summary
- II. Background
- III. Proposed Terms of the Revised Development Memorandum
- IV. Proposed Terms of the Third Amendment to ERN
- V. Staff Recommendation

I. EXECUTIVE SUMMARY

The Port and SF Piers 27-31, LLC, a subsidiary of The Mills Corporation ("Developer"), are parties to an Exclusive Right to Negotiate agreement ("ERN"), dated June 13, 2001, as amended. The ERN describes the terms under which the parties will negotiate agreements for the development, lease and operation of a mixed-use recreation project at Piers 27-31 (the "Recreation Project").

This Print Covers Calendar Item No. 8A

Pursuant to the ERN, the Port Commission required the Developer to make material changes in its original Recreation Project proposal to respond to a set of 13 conditions (the "13 Conditions"). The 13 Conditions were imposed to maximize affordable recreation activities, minimize unrelated commercial activities, and provide the Port with a fair economic return, including base rent and a participation in Recreation Project revenues. The Port Commission required the Developer and the Port's Executive Director to enter into a non-binding Development Memorandum reflecting the 13 Conditions. The Development Memorandum will serve as the basis for negotiation of a lease disposition and development agreement ("LDDA") and lease ("Lease").

Port staff believes that the Developer has dramatically improved the overall Recreation Project and financial proposal over the past several months. The parties have modified the original Development Memorandum and Port staff believes that the terms of this Revised Development Memorandum successfully meet the 13 Conditions and the Port's objectives for the Recreation Project. At this point in the negotiation process, the parties will negotiate an LDDA and Lease based on the general terms of the Revised Development Memorandum, for eventual consideration by the Port Commission and Board of Supervisors.

In addition, the Preferred Alternative Project to be described in the Revised Development Memorandum will serve as the project to be analyzed in the Environmental Impact Report ("EIR") as required by the California Environmental Quality Act ("CEQA"). Under CEQA, the EIR will also analyze alternative projects that would reduce or mitigate potential environmental impacts of the project. The Port Commission will **not** be asked to decide whether to approve a proposed LDDA and Lease until after the environmental review process is complete, the Planning Commission has certified the adequacy of the EIR, any appeals are heard and decided, and the Final EIR is certified.

On October 12, 2004, Port staff summarized the project and introduced an informational presentation by the Developer on the most recently submitted Revised Preferred Alternative Project. Port staff described the revisions that had been made to the project during negotiations stressing the following:

"In particular, the parties have endeavored to achieve the following goals:

- Provide no more than the total amount of the Non-public trust gross leasable square feet (glsf) allowed by the State Lands Commission within the envelope of the entire project.
- Apply a building-by-building "test" to each proposal, to meet the general notion of a proportion of trust-to-non-trust by building.
- Re-examine the right balance of on-site short-term parking to Transit First solutions. The Embarcadero Transportation Study undertaken by the Port and the S.F. Department of City Planning helped buttress a change in the amount of short-term parking for the Site that was still consistent with the Transit First requirements of the City.
- Seek to re-examine the assumptions behind the revenue-generating uses -- needed to cover the costs of the YMCA (which is paying only \$1.00/year in rent), provide rent to the Port, and meet the Developer's financial requirements -- and test in the light of current and improving market conditions.

- Respond to the issues raised by the Commission, the Northeast Waterfront Advisory Group, Fisherman's Wharf Advisory Group, and organized voices of the nearby business community and neighborhoods, concerned about parking and traffic congestion, competition with their uses, and environmental issues.”

The Staff described the current Revised Preferred Alternative Plan, analyzed the project's compliance with the 13 Conditions, and gave the status of the Performance Benchmarks governing the ERN. Staff then affirmatively supported the many significant improvements made to the use program and site plan that are intended to promote indoor and outdoor recreation opportunities and that will decrease unrelated commercial uses such as general office.

For the reasons described in the October 8, 2004 Staff Report (on file with the Port Commission Secretary and online at www.sfport.com), Port staff determined that the Developer's revised proposal fully responded to the Port Commission's 13 Conditions relating to the use program and site plan (Port Conditions 1, 3-5, 7 and 9-12).

Port staff did not present the financial terms at the October 12, 2004 meeting because the parties had not yet completed negotiations. The parties also had not completed negotiations on the specific requirement for active recreation-related retail uses. Consequently, the Commission extended the endorsement deadline from October 12, 2004 to November 9, 2004. If the Port Commission fails to endorse the Revised Development Memorandum on November 9, 2004, the ERN automatically terminates.

Port staff and the Developer have now reached agreement on the terms of a Revised Development Memorandum, including the financial terms, as described in Exhibit A attached to this Memorandum. Staff have determined that the terms of this Revised Development Memorandum fully respond to the 13 Conditions.

Because the parties still require additional time to prepare and review the final form of the Revised Development Memorandum, Port staff recommend that the Port Commission endorse the terms set forth in Exhibit A, but include an additional performance benchmark to the ERN that requires full execution of the Revised Development Memorandum on or before December 15, 2004.

Staff have also negotiated most of the terms of a Third Amendment to ERN that would extend the termination date of the ERN from January 18, 2005 through March 31, 2006, and include the revised Performance Benchmarks described in Exhibit B attached hereto. However, because the parties have not yet agreed upon the amount of the Developer's payment to the Port for the Port's transaction and opportunity costs during the ERN extension period, Port staff also recommend that the Third Amendment to ERN not become effective unless and until Developer has agreed on or before December 15, 2004 to pay the Port (1) a non-refundable Negotiating Fee; and (2) an additional payment in such amount and upon such payment terms as are satisfactory to the Port's Executive Director to cover the Port's costs for staff, real estate, legal, economic, and other necessary consulting services related to the Recreation Project through close of escrow. If the parties are unable to agree on such fees by December 15, 2004, the existing ERN will expire by its own terms on January 18, 2005 unless otherwise extended by the Port Commission in its sole discretion.

Staff expects that the State Lands Commission staff review is unlikely to result in material changes to the Recreation Project such that a new round of Commission reviews would be required. Staff have been informed that further review by the Waterfront Design Advisory Committee and the Bay Conservation Development Commission (BCDC) Design Review Board (WDAC/DRB) is not required at this time, barring a dramatic change in the design. This Joint Board, which has already met on this project seven times, will review the Recreation Project after the EIR is completed: WDAC when schematic design approval is sought from the Port Commission, and DRB when it advises the full BCDC at the time a Major Permit is sought from BCDC.

Recommendations

For all of the foregoing reasons, Staff recommend:

- (1) The Port Commission endorse the terms of the Revised Development Memorandum as described in Exhibit A herein including a project description, a site plan (SK 150) and financial terms, and authorizes the Port's Executive Director to enter into the Revised Development Memorandum on or before December 15, 2004. The project description and the site plan of the Revised Preferred Alternative Project shall be the basis for the EIR analysis, as required by CEQA; and
- (2) The Port Commission conditionally approve the terms of a Third Amendment to ERN, extending the Exclusive Right to Negotiate to March 31, 2006 and imposing certain Performance Benchmarks described in Exhibit B. Port staff also recommend that the effectiveness of the Third Amendment to ERN be conditional upon agreement by Developer to pay the Port both a non-refundable Negotiating Fee and an additional payment in such amount satisfactory to the Port's Executive Director to cover the costs of real estate, legal, economic, and other necessary consulting services related to the Recreation Project on or before December 15, 2004.

II. BACKGROUND

A. Recent Activity. Port staff and the Developer gave an informational presentation on the Revised Preferred Alternative Project site plan and table of uses by Developer at the Port Commission's October 12, 2004 meeting. Staff affirmatively supported the plan and table of uses, which the parties had agreed to after intensive negotiations over the past months.

The October 8, 2004 Staff Report that accompanied the informational presentation summarized the history of the Recreation Project. It also described the currently proposed plan to the plans presented at the time of the Original RFP Response (September 25, 2001 Staff Report) and at the time of the State Lands Commission hearing on the Recreation Project (June 2, 2003 Staff Report). These comparisons showed that the currently proposed plan substantially meets both the RFP goals and the original 13 Conditions related to the program and site plan that were attached to the Original ERN (the "13 Conditions"), even with the restrictions on the project's use program stemming from the State Lands Commission. A copy of this Staff Report is on file with the Secretary of the Port Commission, and available on the Port's web page at www.sfport.com.

The Commission also extended the deadline for performance of two of the Performance Benchmarks attached to the ERN, and concluded that the Developer had met all of the other

Performance Benchmarks. Exhibit A to the October 8, 2004 Staff Report also included a summary of the Port's Embarcadero Transportation Study.

A large number of speakers from the public provided comments on the Informational Presentation. These comments are contained in the minutes for the October 12, 2004 Port Commission meeting, which are on file with the Port Commission Secretary and on-line at www.sfport.com.

B. Relationship of the Port Commission Endorsement to the Environmental Review Process. It is important to note that an endorsement by the Port Commission of the Preferred Alternative Project described in Exhibit A attached hereto does not approve the Recreation Project. Rather, it serves to establish a project description that can then serve as a starting point for study through the environmental review process. Thus, once the endorsed Preferred Alternative Project has been submitted to the City's Planning Department, the CEQA review will begin.

Through this process, information will be developed in great detail about the impacts of this Recreation Project on the environment, including a full analysis of traffic impacts. The CEQA review process will weigh any impacts that are identified, quantify those that are quantifiable, and identify mitigation measures to reduce any significant adverse impacts, and will provide ample opportunity for input by the public and other regulatory agencies. The EIR will also study alternatives to the Recreation Project as required by CEQA, including alternatives that show a reduced intensity of development, and a project alternative that contains primarily recreation uses.

The Draft EIR will be publicly circulated for comment, and a public hearing will also be held to receive comments. The Final EIR will respond to such public comments. Certification of the Final EIR will be considered at the Planning Commission and is appealable to the Board of Supervisors. The Port Commission and the Board of Supervisors (both at the Committee level and before the full Board) must publicly consider and adopt findings based upon the Final EIR as part of their actions to consider approval of the LDDA and Lease.

III. PROPOSED TERMS OF THE REVISED DEVELOPMENT MEMORANDUM

Since October 12, 2004, the parties have concluded negotiations and agreed upon on all of the terms of a Revised Development Memorandum. The proposed terms of the Revised Development Memorandum are attached to this staff report as Exhibit A. Attachment A-3 to Exhibit A describes the fundamental financial terms agreed upon by the parties to be included in the LDDA and Lease.

Port staff believe that the dramatic improvements to the overall Recreation Project and financial proposal negotiated by the parties have resulted in a Recreation Project that is consistent with the 13 Conditions and in many cases provides benefits to the Port and the community beyond the minimum requirements of the 13 Conditions. Subject to the Port Commission's endorsement of the terms set forth in Exhibit A, the parties will endeavor to finalize and execute the Revised Development Memorandum on or before December 15, 2004.

The October 8, 2004 Staff Report analyzed the compliance of the Revised Preferred Alternative Project and the proposed Revised Development Memorandum with the 13 Conditions related to the use program and site plan (Conditions 1-5, 7, and 9-12). The following points supplement that

analysis with respect to the financial and use terms of the Revised Development Memorandum (Conditions 2, 6, 8 and 13).

A. Condition #2: *The Lease should include very specific restrictions on the use of the retail space, restricting retail uses to active recreation-related and a very limited amount of other retail space.* Since the October 12, 2004 Port Commission meeting, the parties have agreed that the Lease will require 95,000 leaseable square feet of the total 119,000 square feet of retail space to be reserved for Recreational Retail uses, subject to the temporary variance procedure described in the October 8, 2004 staff report and customary vacancies. Port staff believe that the requirements of this Condition #2 have been fully met by requiring in the Lease that approximately eighty percent (80%) of the total amount of retail space in the Recreation Project be devoted to Recreational Retail uses.

B. Condition #6: *The developer should be responsible for all development costs of the project, including all utilities, public restrooms and open space, excluding only the rent credits as provided in the RFP.* The parties have agreed that Developer is responsible for all development costs, including Phase I of the Northeast Wharf Plaza. The only rent credit will be a maximum \$2.1 million rent credit from the Port for the costs to make the Phase I improvements of the Northeast Wharf Plaza, which are to be taken against 50% of the \$2.4 million annual Base Rent commencing on project opening until fully amortized, as contemplated in the RFP. The Developer will not be granted a preferred return on costs for the Northeast Wharf Plaza. The parties will negotiate categories of excluded costs and the method for determining caps on total costs, and these will be included in the LDDA. Port staff believe that these terms of the Revised Development Memorandum fully satisfy Condition #6.

C. Condition #8. *Negotiations required regarding terms of Port participation in sale and financing proceeds, and participation in historic tax credits.* The parties have agreed upon a financial structure in which the Port participates in sale and refinance proceeds, as more fully described in Exhibit A attached hereto. Port staff believe that the terms of this participation are comparable to those of recent Port development transactions, such as the Ferry Building, Pier 1, Piers 1½, 3 and 5, and the Piers 30-32 Cruise Terminal. It is decidedly superior to past Port development leases, such as for Francisco Bay Office Park and Pier 39, which do not provide for any Port participation in refinancing or sale proceeds.

Port staff determined that the Port would benefit from accepting a higher Base Rent in exchange for foregoing participation in historic tax credits. In addition, as with other development lease transactions such as the Ferry Building, the historic tax credits are subtracted from the Developer's Equity, thereby reducing the Developer's Preferred Return and increasing the Port's Participation Rent, as discussed further under Condition #13, below.

D. Condition #13. *The Base Rent, percentage rent and other rental must be at fair market and must comply with the terms indicated in the RFP.* Port staff, with assistance of its economic consultants, Bay Area Economics (BAE), determined the acceptable fair market rental value for the Premises, based upon the proposed uses, to be

\$2.4 million per year. This amount also exceeds the revenue that the Port currently receives from this facility from interim uses.

The initial guaranteed Base Rent will therefore be set at \$2.4 million per year. The Base Rent will also be subject to a guaranteed cumulative cost of living increase every 5 years. This is identical to the terms of most recent Port development leases, and better than the cost of living adjustment provisions in the Ferry Building lease. The Participation (percentage) Rent structure, described in Exhibit A attached hereto, compares favorably to other public/private real estate transactions involving the City or the Port, and would be considered to reflect the market for such similar transactions.

The Participation Rent structure agreed to by the parties is similar to the Participation Rent structure in the lease for the Ferry Building. As with the Ferry Building lease, Participation Rent will equal 50% of the Project Cash Flow after: (a) Developer's payment of Port's guaranteed Base Rent, operating expenses, debt service, and capital and re-tenanting reserves; and (b) receipt by the Developer of a cumulative 11% Preferred Return on its equity investment in the Recreation Project. BAE determined that this structure is expected to generate significant Participation Rent for the Port, comparable to that achieved through a percentage structure based upon gross receipts as described in the RFP and as provided in the lease for Pier 39 and for the Piers 1½, 3 and 5 project. Although the Developer would receive a cumulative Preferred Return before the Port would receive Participation Rent, the agreed upon Participation Rent structure provides the Port with the following protections not in the lease for the Ferry Building:

- (a) Deferred Preferred Return payments accrue during the construction period at only simple interest of LIBOR plus 200 basis points;
- (b) In any year the Project Cash Flow is in excess of a 15% minimal return on equity, the Port will receive 50% of Project Cash Flow in excess of a 15% annual return, regardless of unpaid accrued Preferred Return;
- (c) The Developer's 50% share of Project Cash Flow after its Preferred Return shall be applied to return of equity, thereby decreasing the Developer's Preferred Return;
- (d) Upon refinance, the debt coverage ratio shall not exceed 1:3, assuring that there will be Project Cash Flow upon which the Port's 50% Participation Rent would be calculated; and
- (e) The Port's Participation Rent will not be directly affected by sales of the leasehold; a sale of the leasehold would result in return of Developer equity, therefore reducing or eliminating the Developer's Preferred Return .

Port staff believe that Condition #13 has been met, with terms favorable to the Port. The Port will receive a guaranteed Base Rent that represents a fair market rental value for the facility which will be increased periodically throughout the lease term to reflect cost of living increases. This guaranteed Base Rent exceeds the revenue that the Port can expect to receive from continued interim leasing of the facility. The Port will also have the opportunity to share significantly in the upside of the Recreation Project. This sharing includes Participation Rent calculated at 50% of the Project Cash Flow.

IV. PROPOSED TERMS OF THE THIRD AMENDMENT TO ERN

A. Extended Term. The ERN currently expires on January 18, 2005. Port staff and the Developer have negotiated an extension of the ERN term through the earlier of March 31, 2006, or the date on which the Port and the Developer enter into the LDDA. The March 31, 2006 date is needed to allow a realistic amount of time for completion of the Final EIR, and to allow subsequent action on the LDDA and the Lease by the Port Commission and the Board of Supervisors.

B. Extension Fee. In consideration for the extension, Developer will pay Port a non-refundable extension fee (the "Extension Fee"), that will not be credited towards rent or any other payments due under the Lease.

C. Transaction Costs. In addition to the Extension Fee, Developer shall pay the Port in advance for the reasonable costs and expenses of Port staff and services of its outside real estate and economic consultant team, including without limitation, costs of outside counsel (collectively, the "Transaction Costs") in connection with negotiating and drafting the LDDA, Lease, and related transaction documents, and pursuing necessary entitlements for the period commencing on the date hereof through the full execution of the LDDA. The Port may use the Transaction Costs as needed during the Extended Term, but is required to return any unused funds to Developer within 90 days after the termination of the ERN. The LDDA will also require Developer to pay for additional Transaction Costs incurred by the Port between the execution of the LDDA and the Close of Escrow thereunder.

D. Proposed Performance Benchmarks. Exhibit B attached hereto lists the set of proposed Performance Benchmarks for the ERN extension. They cover the following topics: (1) schedule; (2) monthly progress report; (3) changes to the Revised Preferred Alternative Plan; (4) community outreach; (5) State Lands Commission staff; (6) WDAC/DRB staff; (7) YMCA fund-raising; (8) completion and execution of the Revised Development Memorandum; and (9) LDDA.

E. Conditional Approval. At this time, the parties have not yet agreed upon the amount and manner of payment for the Extension Fee and the Transaction Costs. The parties have agreed that the Third Amendment to ERN will not become effective unless and until Developer has agreed on or before **December 15, 2004** to pay the Port: (1) the Extension Fee; and (2) the Transaction Costs in such amount and upon such payment terms as are satisfactory to the Port's Executive Director. If the parties are unable to agree on such fees by December 15, 2004, the existing ERN will expire by its own terms on January 18, 2005 unless otherwise extended by the Port Commission in its sole discretion.

V. STAFF RECOMMENDATION

Recommendation: Port staff recommends that the Port Commission adopt the attached Resolution, endorsing the terms of the Revised Development Memorandum and conditionally approving the Third Amendment to ERN.

Port staff make this recommendation based on the following:

1. The Recreation Project as defined in the Revised Development Memorandum will meet the Port's primary goals as stated in the following Mission Statement contained in the Amended RFP for this development opportunity:

"The goal of this development is to create a unique and inviting waterfront mixed-use Recreation Project, integrating a varied mix of maritime and commercial uses and open space, including a major public plaza, oriented around active recreational pursuits. This mixed-use Recreation Project will provide a venue for all San Franciscans and Bay Area residents to participate actively as individuals or in groups, in diverse amateur recreational sports, physical fitness and related activities while enjoying the Recreation Project's scenic waterfront setting. The major public open space, the Northeast Wharf Plaza, will be a city and regional resource. The plaza and the other open spaces included in the Recreation Project will create opportunities for engaging in and viewing active recreational activities while enjoying expansive Bay views. New opportunities for recreational boating and other water uses will be created, and maritime berthing compatible with the adjacent new uses at Pier 27 will continue, including temporary ceremonial ship berthing and 'port of call' cruise ship berthing.

The Recreation Project will have a quality design that is authentic to the rich historic maritime industrial character of the Northeast Waterfront. The Recreation Project will be designed to respect this character, to create a focal point for new activity on the Northeast Waterfront, and to maximize public access to and enjoyment of the Recreation Project's spectacular waterfront setting."

2. The terms of the Revised Development Memorandum satisfy the 13 Conditions established by the Port Commission in the ERN, recognizing the public trust restrictions as expressed by the State Lands Commission and the California Attorney General's Office.
3. The Recreation Project will promote maritime commerce and recreation by developing the Maritime Sports Basin, by constructing a water taxi landing, and by providing berths for temporary and ceremonial berthing of ships, and for transient berthing of recreational boats.
4. The Recreation Project will provide active recreation, retail and restaurant uses that will attract visitors to the waterfront to use and enjoy the waterfront.
5. The Recreation Project will create the 2.5 acre Northwest Wharf Plaza and a network of public access, including a perimeter walk of nearly 3/4ths of a mile in length, all of which will provide public access to the waterfront for active and passive recreation.
6. The Recreation Project will continue the Portwalk and Bayside History Walk, allowing the public to learn the history of the piers through an interpretive signage program and displays of maritime artifacts.
7. The Recreation Project will renovate, repair, restore and rehabilitate Piers 29, 29 ½ and 31 and the Belt Railroad Building, consistent with the Secretary of the Interior Standards for Rehabilitation, saving these significant historic maritime resources.

8. The Recreation Project will repair the deteriorating pier substructure and will seismically upgrade the piers and sheds.
9. The Recreation Project will generate a guaranteed income stream to the Port which represents the fair market rental value of the facility, and which exceeds the revenue that the Port receives from interim leasing of the facility.
10. The Port will also participate in the success and appreciation in value of the Recreation Project through Participation Rent, and participation in net proceeds from the sale and refinancing of the leasehold.
11. The City will receive tax revenues from the Recreation Project, including possessory interest taxes, sales taxes and parking taxes.
12. All of the above public benefits are achieved without the expenditure of public funds. Instead, the Developer will privately finance the Recreation Project, including reimbursing the Port for its predevelopment costs. These privately raised funds are projected to total almost \$200 million.

EXHIBITS

Exhibit A: Terms of Development Memorandum

Attachment A-1:	Preferred Alternative Project Description
Attachment A-2:	Site Plan
Attachment A-3	Financial Terms

Exhibit B: Performance Benchmarks for Exclusive Right to Negotiation



EXHIBIT A

Terms of Development Memorandum

I. OVERVIEW AND GENERAL CONDITIONS

A. The Project. The project is for the development of a mixed-use recreation development project consisting of approximately 1.1 million gross square feet (the "Project") in accordance with the Project Description set forth in Attachment A-1 hereto. The site for the Project includes Piers 27, 29, 29½ and 31 including, but not limited to, the water basin framed by Piers 29, 29 ½ and 31, as well as the maritime berths along the northerly apron of Pier 31 and along the southerly apron of Pier 27. The site and the proposed use program is more particularly shown on the site plan attached hereto as Attachment A-2 (the "Site").

B. Transaction Documents. Port will enter into a Lease Disposition and Development Agreement ("LDDA") and Lease with Developer. Developer will also enter into a sublease with the YMCA to construct, operate and maintain a YMCA facility, measuring no less than 110,000 gross square feet of interior space. Developer will also provide to Port a completion guarantee for the Project from The Mills Limited Partnership, including guaranteeing that the construction and opening of the YMCA Facility will occur concurrently with the rest of the Project.

C. General Conditions. The Development Memorandum is intended to be the basis for final agreements that will provide for the development of the Project. The Development Memorandum summarizes certain essential terms of the LDDA, Lease and other related transactions, but does not set forth all of the material terms and conditions of those documents and will not be contractually binding on the City, Port, Developer or The Mills Limited Partnership. The Port Commission and Board of Supervisors retain full discretion to approve, disapprove, or modify upon agreement by Developer, the LDDA and form of Lease.

II. DESIGN & DEVELOPMENT GUIDELINES

A. Preferred Alternative Project. The basic elements of the Preferred Alternative Project and Phase I of the Northeast Wharf Plaza for which environmental review and all other regulatory approvals will be sought is described in Attachment A-1 and Attachment A-2 hereto.

B. Schedule of Development. Developer shall use good-faith efforts to meet a Schedule for Development agreed upon by the parties.

C. Community Outreach Program. During negotiations, Developer shall comply with a Community Outreach Program agreed upon by the parties.

D. Transportation Demand Management Program. The Lease shall require Developer to implement a Transportation Demand Management Program.

III. LDDA TERMS.

A. Condition to Port's Delivery. The Development Memorandum will contain specific conditions to the Port's delivery, and Developer's acceptance, of the Premises consistent with other Port LDDA's.

CHAPTER I

THE HISTORY OF THE

REIGN OF CHARLES THE FIRST

The first of these was the death of King James the first, who died on the third of March, 1625. He was succeeded by his son, Charles the first, who was then only a boy of twenty-three years of age. The king was a very pious and virtuous man, and was very much beloved by his people. He was also a very brave and valiant man, and was very much respected by his subjects.

The king was very much devoted to his religion, and was very much concerned for the welfare of his people. He was also very much concerned for the education of his children, and was very much concerned for the education of his subjects. He was also very much concerned for the education of his courtiers, and was very much concerned for the education of his nobles.

The king was very much devoted to his religion, and was very much concerned for the welfare of his people. He was also very much concerned for the education of his children, and was very much concerned for the education of his subjects. He was also very much concerned for the education of his courtiers, and was very much concerned for the education of his nobles.

THE HISTORY OF THE

The king was very much devoted to his religion, and was very much concerned for the welfare of his people. He was also very much concerned for the education of his children, and was very much concerned for the education of his subjects. He was also very much concerned for the education of his courtiers, and was very much concerned for the education of his nobles.

The king was very much devoted to his religion, and was very much concerned for the welfare of his people. He was also very much concerned for the education of his children, and was very much concerned for the education of his subjects. He was also very much concerned for the education of his courtiers, and was very much concerned for the education of his nobles.

The king was very much devoted to his religion, and was very much concerned for the welfare of his people. He was also very much concerned for the education of his children, and was very much concerned for the education of his subjects. He was also very much concerned for the education of his courtiers, and was very much concerned for the education of his nobles.

B. Termination of LDDA. The LDDA will terminate if Developer has not satisfied all of its conditions precedent within twelve (12) months after execution of the LDDA (unless extended as provided below) (the "Outside Close Date"). The Outside Close Date shall be subject to automatic extensions set forth in a *force majeure* provision of the LDDA, which shall account for, among other things, litigation- and permit-related delays. Developer may also extend the Outside Close Date for two one-year options to extend, upon payment of an extension fee for each one-year extension. Once Developer has given Port notice of the target date for Close of Escrow, Developer shall pay Port a non-refundable monthly LDDA Fee, and additional LDDA Fee if Developer is not ready to close escrow on the Target Date (subject to force majeure). If the LDDA terminates prior to close of escrow through no fault of the Port, Port's sole and exclusive remedy shall be the receipt of liquidated damages as a termination fee.

C. Condition of Premises. Developer will accept the Premises in its "as is" condition as of the date of delivery of possession. Port shall deliver possession of the Premises to Developer free of all encumbrances, including tenants or licensees, except as shown in a title report approved in writing by Port and Developer.

D. Development of Site/Northeast Wharf Plaza. Developer will undertake all development activities, including regulatory approvals, on- and off-site improvements, hazardous materials remediation, utility restoration and relocation and construction of public restrooms, at no cost to Port or City, and within the times and in a manner set forth in the LDDA, subject to a rent credit from the Port of \$2.1 million for Phase I of the Northeast Wharf Plaza to be applied against 50% of the \$2.4 million initial annual Base Rent commencing upon project opening until fully amortized (maximum of 21 months).

E. Completion Guarantee. Developer will provide a guarantee or other security satisfactory to Port in such form approved by Port in its commercially reasonable discretion from The Mills Limited Partnership, guaranteeing Developer's obligations under the LDDA, including successful completion of the Project improvements and payment of Construction Period Rent. The guarantee shall also guarantee completion of the YMCA facility concurrently with completion of the remainder of the Project without any effect on the Port's participation rent or other consideration, and without any effect on the long-term presence or economic viability of the YMCA at the Project site for the entire Lease term. Developer shall also deliver to Port any applicable agreements between The Mills Limited Partnership and the YMCA in which the YMCA assumes responsibility for amounts guaranteed by The Mills Limited Partnership.

F. Historic Tax Credits. Developer will construct the Project in accordance with the Secretary of the Interior Standards for Historic Rehabilitation. Developer shall apply for and diligently pursue the 20% Historic Rehabilitation Investment Tax Credit for the Rehabilitation and Restoration of Historic Structures for all eligible hard and soft construction costs.

G. Costs of Closing Escrow. Developer will pay any and all costs associated with the closing of escrow.

H. Approval of Construction Documents. In addition to the Port's regulatory role in issuing building permits, Developer's preliminary and final construction documents shall be subject to review and approval of the Port's Executive Director or her designee, acting in the Port's proprietary capacity, and the design of the Project at the stage of submission of schematic

The first of the two papers in this section, by J. H. J. van der Linde and J. A. M. de Vries, is a study of the role of the 'Great Zimbabwe' in the formation of the Shona nation. The authors argue that the site was a powerful symbol of Shona identity and unity, and that it played a central role in the process of nation-building. They also discuss the role of the site in the Shona oral tradition, and the way in which it has been used by the Shona people to assert their claims to the land.

The second paper, by J. H. J. van der Linde, is a study of the role of the 'Great Zimbabwe' in the formation of the Shona nation. The authors argue that the site was a powerful symbol of Shona identity and unity, and that it played a central role in the process of nation-building. They also discuss the role of the site in the Shona oral tradition, and the way in which it has been used by the Shona people to assert their claims to the land.

The third paper, by J. H. J. van der Linde, is a study of the role of the 'Great Zimbabwe' in the formation of the Shona nation. The authors argue that the site was a powerful symbol of Shona identity and unity, and that it played a central role in the process of nation-building. They also discuss the role of the site in the Shona oral tradition, and the way in which it has been used by the Shona people to assert their claims to the land.

The fourth paper, by J. H. J. van der Linde, is a study of the role of the 'Great Zimbabwe' in the formation of the Shona nation. The authors argue that the site was a powerful symbol of Shona identity and unity, and that it played a central role in the process of nation-building. They also discuss the role of the site in the Shona oral tradition, and the way in which it has been used by the Shona people to assert their claims to the land.

The fifth paper, by J. H. J. van der Linde, is a study of the role of the 'Great Zimbabwe' in the formation of the Shona nation. The authors argue that the site was a powerful symbol of Shona identity and unity, and that it played a central role in the process of nation-building. They also discuss the role of the site in the Shona oral tradition, and the way in which it has been used by the Shona people to assert their claims to the land.

The sixth paper, by J. H. J. van der Linde, is a study of the role of the 'Great Zimbabwe' in the formation of the Shona nation. The authors argue that the site was a powerful symbol of Shona identity and unity, and that it played a central role in the process of nation-building. They also discuss the role of the site in the Shona oral tradition, and the way in which it has been used by the Shona people to assert their claims to the land.

The seventh paper, by J. H. J. van der Linde, is a study of the role of the 'Great Zimbabwe' in the formation of the Shona nation. The authors argue that the site was a powerful symbol of Shona identity and unity, and that it played a central role in the process of nation-building. They also discuss the role of the site in the Shona oral tradition, and the way in which it has been used by the Shona people to assert their claims to the land.

drawings shall be subject to the review and approval by the Port Commission, acting in its proprietary capacity, at a public meeting.

IV. LEASE TERMS.

A. Premises.

1. Premises. The Premises is located on Piers 27-31 and is more particularly shown on the Site Plan attached hereto as Attachment A-2.

2. Reservation of Rights. Port reserves from the Premises, the northerly nine hundred (900) feet of the Pier 27 berth for temporary and ceremonial berthing of ships, including without limitation a backup port of call for cruise ships.

B. Financial Terms. The parties have agreed on the financial terms attached hereto as Attachment 3. The parties will further develop these terms in the final Development Memorandum and in the Lease.

C. Required Uses. The Lease will require that Developer maintain the following uses throughout the term of the Lease (as those uses are more particularly described in Attachment A-1 hereto):

1. YMCA. A 110,000 gross leasable square feet (glsf) indoor YMCA Facility.

2. Indoor Active Recreation. No less than 72,725 glsf of other indoor active recreation, including a 3,000 glsf maritime-related exhibit space, and, if provided, no more than 15,000 glsf of games and hobby activities.

3. Outdoor Active Recreation. No less than 150,250 square feet of outdoor space, not including the water basin, devoted to Active Recreation uses (i.e., the 47,000 square foot outdoor portion of the YMCA, the 32,800 square foot Sports Valley, and the 25,000 square foot outdoor portion of the indoor-outdoor Skateboard Park/BMX Track).

4. Marine Sports Basin. A 161,200 square foot Marine Sports Basin, located between Piers 29 and 31, fully programmed by the America True Foundation and operated by the America True Foundation, the YMCA, or an equivalent non-profit operator. In addition, Developer will provide approximately 44,800 square feet of floating docks for marine recreation use (which shall be counted toward the minimum square footage of Outdoor Active Recreation), and at least 2,000 square feet for a Boating Center and 625 square feet for a Boating Kiosk (which shall be counted toward the minimum square footage of Indoor Active Recreation uses).

5. Public Access and Open Space. No less than 35% of the Site footprint (not including open water areas or the Northeast Wharf Plaza) shall be dedicated public access and/or open space that meets the requirements of BCDC.

6. Water Taxi. A Water Taxi landing and area for Water Taxi waiting and queuing, measuring no less than 4,200 square feet in area.

7. Transient Berthing. Transient berthing for recreational boats in the Marine Sports Basin.

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

THE UNIVERSITY OF CHICAGO
PHILOSOPHY DEPARTMENT
1998

8. Short-Term Parking. Approximately 415-518 of on-site short-term parking, located in the upper level of Piers 29 and 29½.

D. Permitted Uses. Developer must maintain permitted uses in amounts, types and locations sufficient to ensure the public trust consistency of the Project as a whole, and compliance with BCDC permit(s) or other regulatory requirements, as determined by the Port Commission in the exercise of its duties as trustee under the Burton Act. The Lease will permit the following uses:

1. Retail Uses. Visitor-Serving Retail use not to exceed 114,000 glsf, plus no more than a total of 5,000 square feet of kiosks, carts and other movable retail facilities. All retail uses shall be subject to the following requirements:

a. *Recreational Retail Requirement*. Subject to commercially-reasonable vacancies from time to time and a temporary variance procedure, Developer shall insure that the Recreational Retail uses on site at any given time shall (a) occupy no less than 95,000 glsf of the total leasable square feet of retail space then occupied; this amount represents 80% of the permitted retail. Recreational Retail uses must directly support each of the following categories of active recreation:

i. Marine Recreation, which may include, without limitation, boat dealerships, boat repair shops, and marine equipment suppliers;

ii. Outdoor Recreation, which may include, without limitation, stores selling fishing, climbing, hunting and/or camping equipment;

iii. Individual and Team Sports and Athletics, which may include, without limitation, cycling shops, skateboarding shops, surf shops, stores selling athletic clothing and/or footwear, diving shops, and sporting goods stores;

iv. Personal Fitness Activities, which may include, without limitation, spas, massage or sports therapy facilities, health food stores, and sports medicine facilities; and

v. Games and Hobbies, which may include, without limitation, game stores, hobby stores, and shops selling photographic equipment.

b. *Recreation Retail Marketing Plan*. Developer shall develop and implement a Recreational Retail marketing plan to be agreed upon by Port and Developer, designed to achieve retail objectives set forth in the Lease, including the following:

i. The overall mix of retailers should provide the widest range of athletic, fitness, sports and physical therapy goods and services, and should specifically support the entire range of Active Recreation programs offered in the Project;

ii. Primary focus of particular retailers should be to provide equipment, supplies and technical clothing related to the particular type of Active Recreation;

iii. Individual retailers should offer expert advice and in-depth information on the relevant Active Recreation activities supported;

- iv. Retailers should include local and regional operations with strong ties to the local community;
- v. Retailers should fill gaps in retail offerings available in San Francisco;
- vi. Retail offerings should include a wide range of high-quality equipment and/or services for a range of clientele - children, adults, the elderly and the disabled;
- vii. Individual retailers should provide information on local programs, organizations, offerings and recreation locales related to the applicable Active Recreation activities supported;
- viii. Retail offerings should include equipment both for rent and for sale (e.g. bicycles, rollerblading, kayaks); and
- ix. Retail offerings should include opportunities for group tours and outings for Active Recreation participation, e.g., bicycling, trekking, diving, skiing, surfing, kayaking, hiking, sailing, camping, and mountaineering.

c. *Temporary Variance Procedure.* The Lease will include a process allowing Developer to request and the Port Director to grant temporary variances from the required 95,000 glsf of Recreational Retail uses or any of the specifically required categories of Recreational Retail uses. The Port Director, in his or her reasonable discretion, may grant a temporary variance if Developer demonstrates to the Port Director's reasonable satisfaction, that Developer has made commercially reasonable efforts to market the space in accordance with the requirements of the Recreational Retail marketing plan and has been unable to obtain creditworthy tenants for such uses at Commercially Reasonable Rates. The term of any sublease permitted by this variance procedure shall not exceed five years. Through this temporary variance procedure, the ratio of Recreational Retail uses to total retail uses may remain below the normally required 95,000 glsf for as long as 18 months, provided, however, that at no time may the ratio of recreational retail space to total retail space drop below 50%.

d. *Port's Consent.* Port's consent, not to be unreasonably withheld, will be required for all retail subleases.

e. *Firearms.* The sale of firearms shall be prohibited on the Premises.

2. Office. No more than 170,500 glsf of office use located in the historic structures located at Piers 29, 29½ and 31, including at least 5,800 glsf of Maritime Office. Excluded from this limitation are: (1) office space that is an Accessory Use to other permitted Active Recreation, Retail, or Restaurant and Café uses hereunder; and (2) office space directly related to management, maintenance, security or other administration of the Project Site up to a maximum of 5,000 glsf.

3. Restaurants and Cafes. Restaurants, cafes, and food service serving the Project, including kiosks, not to exceed 36,300 glsf. No more than 50% of the restaurant and café space shall be occupied by formula restaurants (as defined in the Lease). In no event shall

4. The fourth part of the document discusses the implications of the findings for future research and practice. It suggests that the results of this study could be used to inform policy decisions and to guide the development of new programs and initiatives.

5. The fifth part of the document provides a conclusion and a summary of the key points. It reiterates the importance of the study and the need for further research in this area.

6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources of information used in the study, including books, articles, and other documents.

7. The seventh part of the document contains a list of appendices and a glossary. It provides additional information and definitions for the terms used in the study.

8. The eighth part of the document includes a list of figures and a table of contents. It provides a visual representation of the data and a guide to the structure of the document.

9. The ninth part of the document contains a list of footnotes and a list of abbreviations. It provides additional information and definitions for the terms used in the study.

10. The tenth part of the document includes a list of references and a bibliography. It cites the various sources of information used in the study, including books, articles, and other documents.

Developer allow any restaurant, café or kiosk space to be occupied by a formula restaurant that is also a fast food restaurant (as defined in the Lease).

4. Berthing of Vessels. Developer may allow the Premises to be used for excursion vessels, transient berthing and historic ships, subject to certain restrictions on location and use to be set forth in the Lease. (These restrictions will include that the Port will approve or disapprove, in its sole discretion, the percentage rent due the Port for any berthing or landing of excursion vessels, which will be based upon the gross receipts of the excursion vessels.)

5. Signs. Signs and advertising in accordance with reasonable sign guidelines to be agreed upon by Port and Developer.

E. Changes in Use. The Lease will require Developer to obtain the prior written consent from the Port Commission, which consent will not be unreasonably withheld or delayed, for changes in the type or amount of use that would (1) reduce, materially increase, or materially alter any of the Required Uses, (2) increase the amount of the Permitted Uses, or (3) introduce new uses on the Site. It will be reasonable for Port to withhold its consent for changes in the type or amount of uses that would (1) materially affect the affordability of or materially reduce the square footages of the Required Uses, (2) increase the amount of general office use or materially increase the amount of any other Permitted Uses, (3) materially adversely affect Port's rental revenue (by materially reducing the amount of higher percentage-rent paying uses or competing with other Port or Port tenant businesses located elsewhere on Port property), (4) introduce new non-Active Recreation-related uses, (5) violate the BCDC permit or other regulatory approvals for the Project, (6) adversely affect the public trust consistency of the Project as a whole, (7) not be permitted by the Port under the Burton Act or San Francisco Charter, (8) are otherwise identified in the Lease as prohibited uses, or (9) create new significant unmitigated environmental impacts. Tenant shall be responsible for paying all costs incurred by the Port, including, but not limited to staff and attorney costs, in reviewing requests for changes in use.

F. Affordability. As part of the Lease, Developer and Port shall agree on principles for providing and widely promoting affordable, pay-as-you-go Active Recreation at the Premises, including, but not limited to the following: (1) the YMCA and the America True Foundation will provide affordable Active Recreation activities within their indoor facilities, the Sports Valley and the Marine Sports Basin; (2) use of the Sport Valley and Northeast Wharf Plaza shall be free to the public except for (a) programs directly run by the YMCA or the America True Foundation, (b) the skating rink, and (c) facilities requiring reservations and league play, provided however that fees for reserved facilities and leagues shall be limited to the direct costs incurred by the YMCA or its agents to administer the reservations and leagues; (3) the fees charged by the YMCA shall not exceed those charged by the YMCA of San Francisco at its other locations; and (4) the YMCA and America True Foundation shall offer grants, scholarships and other mechanisms to make their Active Recreation activities available to those that could not otherwise afford them. Compliance with this affordability requirement will be a material obligation of Developer under the Lease.

G. Assignment/Subleasing. Developer shall not assign any of its interests in the Lease or enter into a sublease or license for any recreation, retail or restaurant uses (but not general office uses) without the prior written consent of the Port Commission, not to be unreasonably withheld, and subject to standards to be set forth in the Lease.

H. Term. The Lease term shall be for 66 years, commencing upon delivery of the Site to Developer.

I. Security Deposit. Developer shall deliver to Port a security deposit in the amount of two months' Base Rent as adjusted for CPI under the Lease.

J. YMCA Sublease.

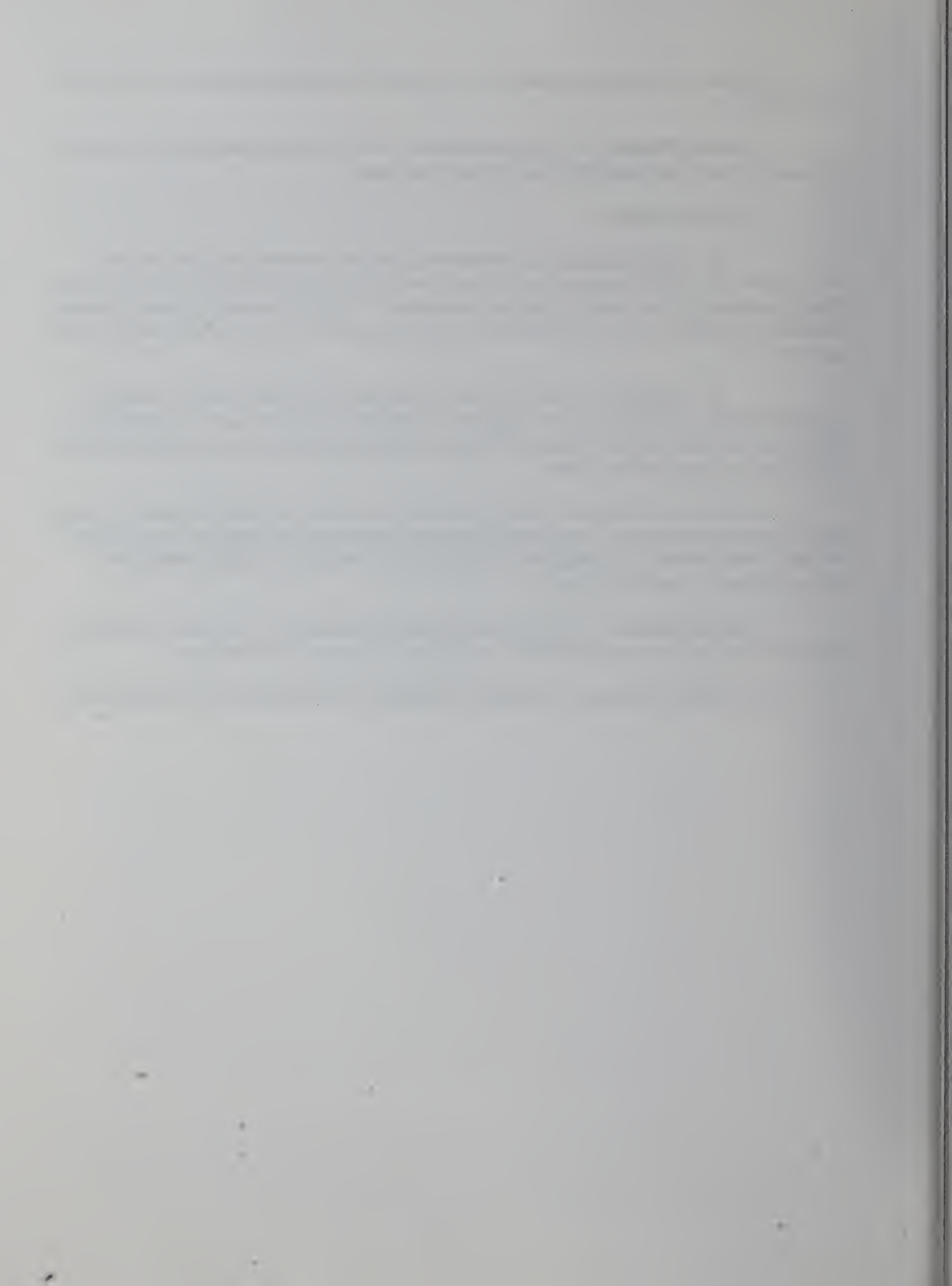
1. YMCA Operations. Pursuant to a Sublease between Developer and the YMCA, the YMCA shall construct, operate and manage a 110,000 glsf facility at Pier 27. The YMCA sublease to be approved by the Port may allow the YMCA to assign its lease to another established non-profit entity that would then own and operate the YMCA facility, subject to Port approval.

2. Recapture. If the YMCA or any assignee approved by the Port ceases to operate the facility for a period of 180 days, then the Port shall have the right to recapture the YMCA and the adjacent Sports Valley. The procedure for this recapture right shall be included in the Lease and the YMCA sublease.

K. Maintenance/Repairs. During the term of the Lease, Developer is responsible for all improvements, maintenance, repairs and operating expenses associated with the Site, including the pier substructure and non-exclusive and public access areas, but excluding certain Port responsibilities for the berth at Pier 27.

L. Capital Repairs. The parties shall negotiate a provision in the Lease to address the issue of capital repairs required within the last fifteen (15) years of the Lease term.

M. City Requirements. Developer will comply with all applicable City requirements.



ATTACHMENT A-1

PREFERRED ALTERNATIVE PROJECT DESCRIPTION

Attached as Attachment A-2 is the current site plan associated with the Revised Preferred Alternative Project, SK 150 as revised October 8, 2004; it is only slightly revised from the September 29, 2004 SK 149 that was in the Staff Report of October 8, 2004.

The Project includes demolition or removal of:

- The non-historic Pier 27 Annex building (12,000 glsf) currently used as offices;
- The 1,400 sq. ft. non-historic addition to the Belt Railroad Office Building;
- The *Teatro Zinzanni* tent complex (18,000 glsf);
- The entire non-historic Pier 27 Terminal shed (233,000 glsf).

Preservation of historic buildings includes:

- The 1909 Mission Style Belt Railroad Office Building, which will be moved to the Northeast Wharf Plaza;
- The 1917-1918 connected piers of Piers 29, 29½ and 31 and the bulkhead building; the pier sheds on 29 and 31 and the connector wharf at 29½.

New construction includes:

Pier 27

- An 110,000 glsf indoor "YMCA on the Bay" will include a 3-pool aquatic center (a family pool with large water slides and other play structures, a six-lane 25-meter lap pool and a hydrotherapy pool), a climbing center, multi-court gymnasium, Child Watch area, area with simulators to learn windsurfing and sailing, a health and wellness center, conference rooms and locker rooms.
- An indoor/outdoor 25,000 glsf YMCA Skateplaza/BMX Track with features including covered-over vertical ramps and outdoor features resembling a street course skatepark. BMX biking and inline skating will be offered.
- The Outdoor YMCA space consists of two basketball courts totaling 36,000 glsf, a ChildWatch play area of 2,000 glsf, a YMCA terrace of 4,400 glsf and additional playing areas south of the building totaling 4,600 glsf, for a total of 47,000 glsf.
- A 32,800 sq.-ft. wind-protected "Sports Valley" located between the new YMCA Facility and the Pier 29 Shed with basketball courts and other courts, a skating rink sized for use by inline, roller and, in winter, ice skating; and certain turf areas suitable for playing various field sports. The skating rink will be the only facility in the Sports Valley that will not be free. The removal of the Pier 27 shed will open up views of the Bay.

The purpose of this study is to investigate the effects of

the proposed system on the performance of the system.

The results of the study are as follows:

The proposed system has a significant positive effect on the

performance of the system.

The proposed system has a significant positive effect on the

performance of the system.

The proposed system has a significant positive effect on the

performance of the system.

The proposed system has a significant positive effect on the

performance of the system.

The proposed system has a significant positive effect on the

performance of the system.

The proposed system has a significant positive effect on the

performance of the system.

The proposed system has a significant positive effect on the

performance of the system.

The proposed system has a significant positive effect on the

performance of the system.

The proposed system has a significant positive effect on the

- A new 2.4 acre Northeast Wharf Plaza fronting The Embarcadero at Lombard Street will also provide expansive views of the Bay. The Plaza will be designed to be used both as a freestanding waterfront park and a water-oriented recreational facility, with areas for both passive and active recreation. The surface will be half lawn-like (closer to the YMCA Building) and half hardscape (closer to the water). The Belt Railroad Building will be moved to the edge facing The Embarcadero and will contain a two-story café with public restrooms. The Plaza will have 270-degree views to the Bay.
- A 4,200 square-foot Ferry/Water-Taxi Dock will be added at the western edge of Pier 27, against The Embarcadero.

Pier 29 and Marine Sports Basin

- A 161,200 sq.-ft. Marine Sports Basin with an additional 44,800 sq. ft. of floating docks for recreational use, a 3,000 glsf Boating Center, informational kiosk and short-term/overnight berthing of boats. It is the first marine recreational facility in San Francisco accessible without a membership. The Marine Sports Basin will be protected from surges by a wake attenuator device at the entrance to the Basin. Baffles will be placed beneath the piers to prevent small boats from getting beneath the piers.
- A two-story 12,500 sq. ft. restaurant pavilion at the eastern end.

Pier 31 - A new 650 ft-long berth at Pier 31 and public access walkway, neither of which now exists owing to the deterioration of the pier.

Active Recreation Uses

The Piers 27-31 Mixed-Use Recreation Project will result in a mix of indoor, outdoor and water-oriented active recreation uses.

- Recreational Enterprises will occupy 287,525 glsf of indoor and outdoor space. Besides the programs noted above, indoor recreation programs in Pier 29 will include a Bowling Center and a variety of sports and recreation activities such as batting cages, billiards, dance and martial arts studios, golf instruction and simulators, slot car racing, and a surfing/wave-riding facility. A Maritime Exhibit Center will be located in Pier 31.
- Recreational Boating and Water Use, including the Water Basin, will occupy 206,650 glsf

Public Access

Some thirty-five percent of the ground level area of the Recreation Project will be public access, not including the Northeast Wharf Plaza. The public will be able to walk the entire perimeter of the piers more than 4,000 linear feet and will be able to gather at certain points within the project, including the Marine Sports Basin main dock. The Port's PortWalk, and the Bayside History Walk will be continued on this site.

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
530 CHICAGO HALL
CHICAGO, ILL. 60637

TO THE EDITOR OF THE JOURNAL OF THE AMERICAN CHEMICAL SOCIETY
FROM THE DEPARTMENT OF CHEMISTRY
UNIVERSITY OF CHICAGO

RE: [Illegible Title]
[Illegible text]

[Illegible text]

[Illegible text]

[Illegible text]

[Illegible text]

[Illegible text]

[Illegible text]

Maritime Uses.

Maritime uses will include the creation of the Marine Sports Basin, a ferry/water taxi dock, maritime office space, and the retention of Pier 27 berth for temporary and ceremonial berthing.

Recreation-oriented retail

A maximum of 119,000 glsf of retail space will be allowed, including 5,000 glsf of kiosks. Of this retail space, the Port requires that at least 95,000 glsf (approximately 80% of total retail space) will be occupied by recreation-related uses that will provide equipment, services and information for the various sports carried out throughout the Recreation Project. The recreational retail space will generally be located in the Bulkhead Building with additional space in Pier 29.

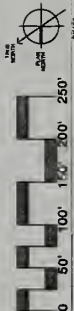
Cafes and Restaurants

Cafes and restaurants will occupy 36,300 glsf, offering quick snacks and full-service dining. Formula fast food restaurants will be prohibited, and no more than 50% of restaurant and café space may be occupied by formula full service restaurants.

General Office and Parking

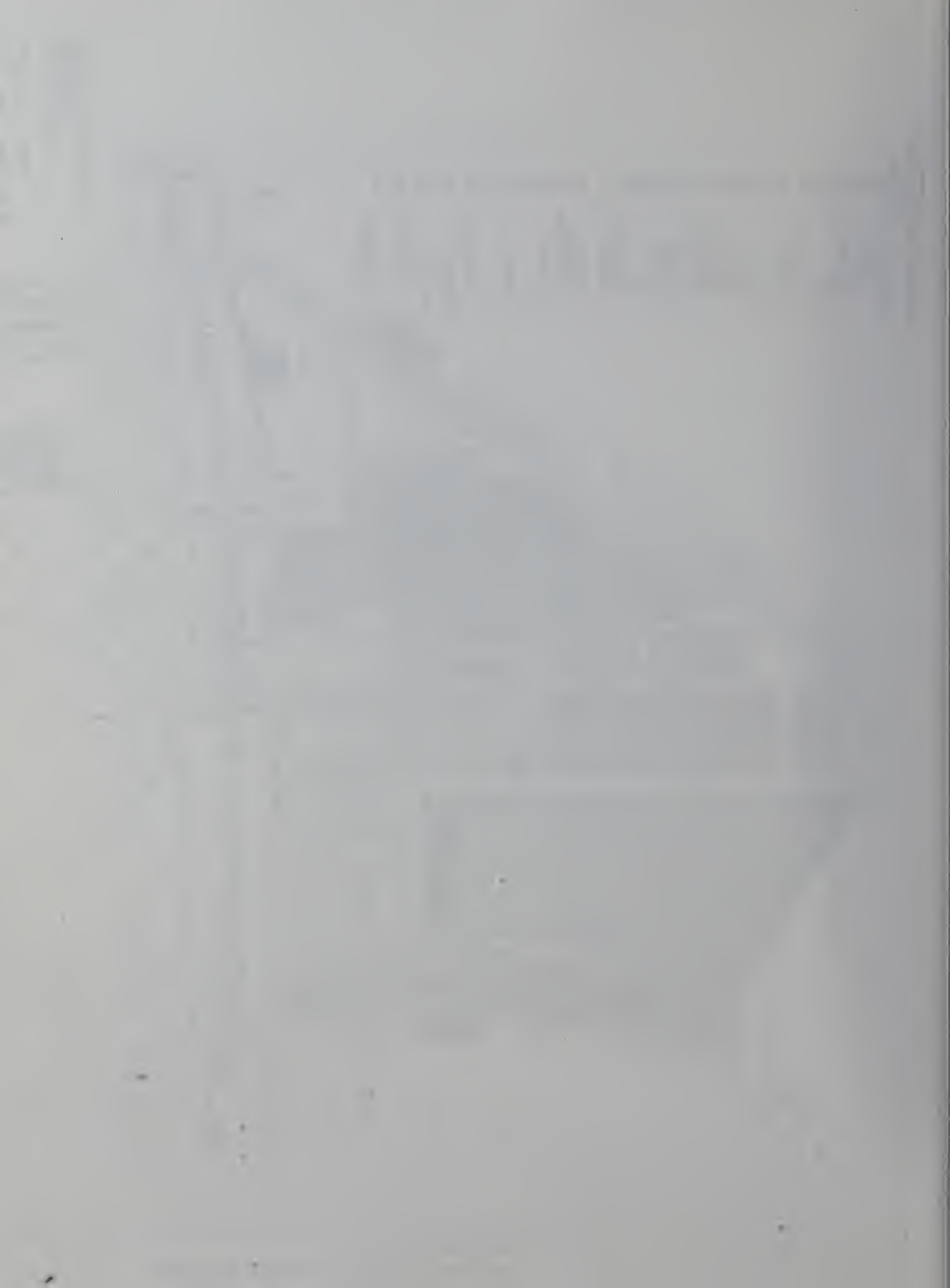
A maximum of 164,700 glsf of general office space will be allowed, which will be located in Pier 31, and on portions of the 2nd floor of the Bulkhead Building. Short-term, valet-assisted parking of 415 spaces will be on the upper levels of Pier 29 and the Bulkhead Building. Initially, 518 parking spaces, occupying 139,700 glsf, will be provided. Of this, 22,000 glsf may be converted to office space in the future, reducing the parking to 117,700 glsf, or 415 spaces. In no event will general office space exceed 164,700 glsf. (The analysis shown in the October 8, 2004 Staff Report, Table 1, assumes the maximum allowed space of 164,700 glsf and the minimum parking use of 117,700 glsf).

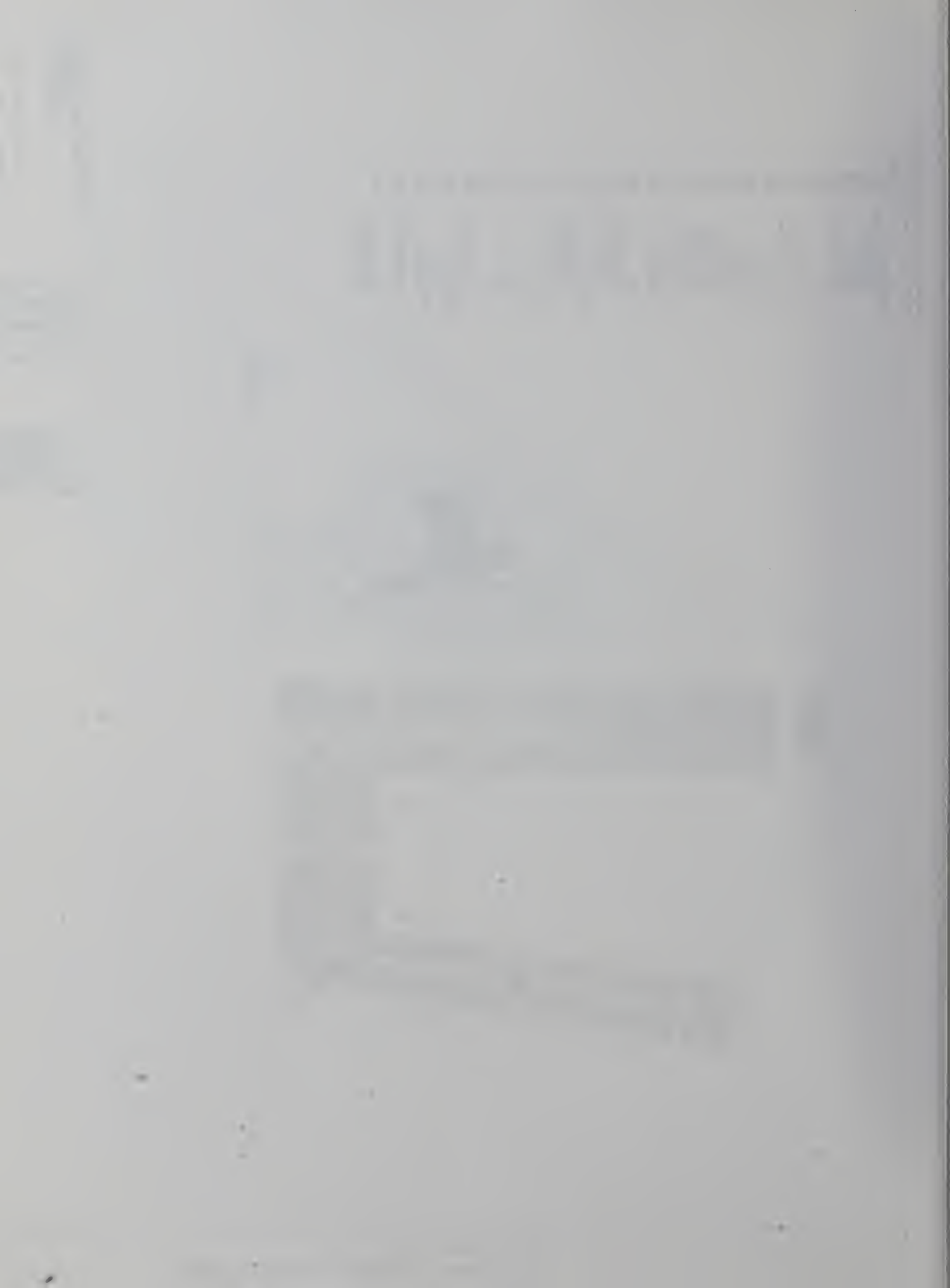
REVISÉ: 08 October 2004 SK#150

[illegible]

THE UNIVERSITY OF CHICAGO

Attachment A-2
Site Plan - SK 150, October 8, 2004
-22-





**ATTACHMENT A-3
FINANCIAL TERMS**

<u>Lease Terms</u>	
Base Rent	- Construction rent: \$1.2 million per year. - Initial Base Rent: \$2.4 million per year from project opening. - Inflation-based increases between 10% and 20% every 5 years beginning after Year 5. - NE Wharf Plaza Rent Credits of \$2.1 million applied against 50% of the \$2.4 million Initial Base Rent, commencing on project opening until fully amortized.
Participation Rent	1. 50 % of annual Project Cash Flow in excess of Preferred Return. 2. 11% annual Preferred Return to Developer based on adjusted total Equity equaling Net Project Costs (net of historic tax credit proceeds and NE Wharf Plaza cost) less construction/permanent debt. 3. Preferred Return is cumulative – deferred payments accrue simple interest at LIBOR plus 200 basis points between close of escrow and project opening and 11% compounded annually after project opening. 4. 11% Preferred Return will be capitalized during the construction period, including simple interest only at LIBOR plus 200 basis points, and will be included in the calculation of total project costs. 5. Participation Rent payments begin at project opening. 6. In any year that Project Cash Flow is in excess of 15% annual return on Equity, Port to receive 50% of Project Cash Flow in excess of 15% of annual return on Equity, regardless of unpaid accrued Preferred Return. 7. Beginning at project opening, Developer's 50% share of Project Cash Flow in excess of Preferred Return shall be applied to return of Equity. 8. For purposes of calculating the Developer's Equity, total project costs will be capped as of close of escrow, based on a final development budget approved by Port. The parties will negotiate categories of excluded costs and the method for determining the cap on total costs as part of the LDDA and Lease.
Proceeds from Tax Credits	- Port will receive no proceeds from historic tax credit. (See #2 under Participation Rent above.)
Proceeds from Sale or Refinance	1. Port will receive 10% (15% after Year 20) of sale proceeds net of (1) transaction costs, (2) repayment of debt, (3) payment of unpaid Preferred Return, (4) return of initial Equity in that order. The definition of what constitutes a Transfer that is subject to Port's participation in net sale proceeds will be negotiated for inclusion in the Lease. 2. Port will receive 10% (15% after Year 20 & 5% after Year 50) of refinancing proceeds net of (1) transaction costs, (2) repayment of debt, (3) payment of unpaid Preferred Return, and (4) return of initial Equity in that order. 3. The amount of the participation that the Port receives from refinancing shall be

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

1911

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

1911

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

1911

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

1911

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

<u>Lease Terms</u>	
	offset against the calculations of Port participation in subsequent sale. 4. The issue of required capital repairs within the last 15 years of the lease term will be negotiated for inclusion in the Lease. 5. Port will not participate in the construction loan to permanent loan refinancing 6. Developer will use reasonable efforts to obtain commercially reasonable permanent financing at the highest loan to value ratio, which is defined to be between 65% and 70%. This assumes that this is achievable within the lending environment at the time of the first refinance. The loan is to be consistent with customary underwriting standards and the lowest interest rate available in the market at the time of the first refinance and Developer will not be required to issue additional guarantees or pledging of additional collateral. In addition, for the purposes of calculating participation rent, the Equity balance shall not exceed 50% of Net Project Costs. If Developer places an initial permanent loan with a principal amount less than 50% of the Net Project Costs, then for the purposes of calculating Participation Rent, it will be assumed that the loan balance shall not exceed 50% of Net Project Costs. 7. Upon second or subsequent refinances, Developer agrees to a minimum coverage ratio of 1.3. However, Developer is allowed a minimum refinance amount equal to the outstanding balance of the in place loan regardless of the coverage ratio. If in any subsequent refinancing the coverage ratio is less than 1.3 and the principal amount exceeds the balance of the loan being refinanced, then for the purpose of calculating Participation Rent it will be assumed that the coverage ratio is 1.3.

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. From the first settlers to the present day, the nation has evolved through various stages of development. The early years were marked by exploration and settlement, followed by a period of rapid expansion and industrialization. The American Revolution was a pivotal moment in the nation's history, leading to the establishment of a new government and the declaration of independence. The 19th century was a time of great change, with the Civil War and the Reconstruction era shaping the nation's future. The 20th century saw the rise of the United States as a world power, with significant events such as World War I and World War II. The present day is a time of continued growth and change, with the United States facing new challenges and opportunities.

The history of the United States is a story of growth and change. From the first settlers to the present day, the nation has evolved through various stages of development. The early years were marked by exploration and settlement, followed by a period of rapid expansion and industrialization. The American Revolution was a pivotal moment in the nation's history, leading to the establishment of a new government and the declaration of independence. The 19th century was a time of great change, with the Civil War and the Reconstruction era shaping the nation's future. The 20th century saw the rise of the United States as a world power, with significant events such as World War I and World War II. The present day is a time of continued growth and change, with the United States facing new challenges and opportunities.

EXHIBIT B

ADDITIONAL AND REVISED PERFORMANCE BENCHMARKS FOR THE THIRD AMENDMENT OF THE ERN

[Capitalized terms have the meanings ascribed to them in the Exclusive Right,
or if not defined therein, in the RFP]

BENCHMARK	TIME FOR PERFORMANCE
1. TENTATIVE SCHEDULE. Developer and Port will agree on a tentative Schedule for the development of the Project including, without limitation, a timetable for submitting the Recreation Project to the Planning Department for CEQA review, all other regulatory approvals, site and design review, community outreach, construction and lease commencement date; such schedule to be revised, as the project progresses.	Developer will continue to submit revised Schedules to Port staff, beginning no later than December 1, 2004, said schedule to be agreed upon by Port staff and Developer not less than every 30 days thereafter, unless requested by the Port to update in response to a significant event affecting the project.
2. MONTHLY REPORT. Developer will prepare and submit to Port each month a summary of major activities that have occurred toward achieving each Performance Benchmark.	Beginning December 1, 2004, Developer will submit on the first of each month or, if that date should fall on a weekend, the first Monday following that date.
3. MATERIAL CHANGES TO PREFERRED ALTERNATIVE PLAN. If the Revised Preferred Alternative Plan endorsed by the Port Commission on November 9, 2004 is materially changed during the period of the ERN extension, particularly as a result of direction provided from a regulatory entity empowered to authorize such a change, the Developer shall present to the Port Commission pertinent information about those changes, including, but not limited to information on the site plan, table of uses and financial terms. The information should include: (a) at least two sets of color site plans, one showing upper levels and another showing lower levels, and a table of uses that corresponds to the site plan, mounted on foam core in a size approximately 30"X 42"; (b) 30 sets of 11" X 17" colored xeroxes of the site plans and table of uses; (c) additional information needed to describe the changes to the plans, including elevations, perspective drawings, photographs or other representations	All within 45 days of a material change.

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILLINOIS 60607

BENCHMARK	TIME FOR PERFORMANCE
showing the general design and space allocation; (d) specific location of uses on the ground or in the structures; (e) circulation plan; (f) landscaping, if any; (g) relationship of the Project to its surroundings (such designs shall directly address the Port Conditions pertaining to the design and programming of the Project). Financial terms should be presented in the form of (h) the most recent development costs projections and (i) preliminary cash flow projections (including development costs and detailed operation pro formas for the first 10 years of operation). Such information shall address any changes affecting the YMCA Facility and the Northeast Wharf Plaza.	
4. COMMUNITY OUTREACH. Developer will offer to meet with the Northeast Waterfront Advisory Group (NEWAG) no fewer than every four (4) months; with the Fisherman's Wharf Advisory Group (FishWAG) no less frequently than every six (6) months; and at other times and before other community groups as reasonably requested by the Port.	Beginning with the January 2005 meeting date to be set by NEWAG; the February 2005 meeting date set by FishWAG; and at dates and times for other community groups as reasonably requested by the Port.
5. STATE LANDS COMMISSION STAFF. If the Revised Preferred Alternative Plan is approved by Port Commission on November 9, 2004, and in cooperation with the Port, Developer will request an opportunity to present the Plan to the SLC staff at a time reasonably convenient to them at least once, and more often if needed, to review any material changes of use and/or placement of uses, to determine if these changes fall within the guidelines of the June, 2003 SLC determination concerning the Public Trust doctrine and the Burton Act.	No later than January 18, 2005, subject to delays resulting solely from the inability of State Lands Commission staff to provide Developer with the available time or input, and within 45 days after any material changes to the Revised Preferred Alternative Plan that would affect the SLC's determination as to public trust consistency.
6. YMCA FUNDRAISING. Developer and the YMCA shall report to Port staff at least every three months during the Third Amendment of the ERN, the non-confidential details of the YMCA's fundraising activities, including number of persons contacted and response, future	No later than each 3 month anniversary during the ERN term.

BENCHMARK	TIME FOR PERFORMANCE
planned fundraising activities, changes in the fundraising program, and other information reasonably requested by Port.	
7. EXECUTION OF REVISED DEVELOPMENT MEMORANDUM. The parties shall have executed a Revised Development Memorandum consistent with the terms endorsed by the Port Commission at the November 9, 2004 meeting.	No later than December 15, 2004
8. LEASE DISPOSITION AND DEVELOPMENT AGREEMENT AND LEASE. Developer and Port shall reach final agreement on the form of the Lease Disposition and Development Agreement and Lease and all exhibits thereto.	The earlier of (1) certification of the Project EIR by the Planning Commission, or (2) expiration of the Third Amendment of the ERN.



**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 04-95

- WHEREAS, On January 13, 2004, the Port Commission approved by Resolution 04-07, the Second Amendment to the Exclusive Right to Negotiate agreement, which extends the Exclusive Right to Negotiate ("ERN") with S.F. Piers 27-31, LLC ("Developer") to January 18, 2005, and includes certain Performance Benchmarks; and
- WHEREAS, Performance Benchmark #3, as modified and extended by the Port Commission, requires the Developer to obtain the Port Commission's endorsement of a Development Memorandum, including a Revised Preferred Alternative Project and financial terms, in a public hearing no later than November 9, 2004; and
- WHEREAS, the Port staff and Developer have reached agreement on the terms of a Development Memorandum, on all of the terms and conditions set forth in the Memorandum to Port Commissioners, dated November 5, 2004 (the "Staff Report"), a copy of which is on file with the Port Commission Secretary for this item, and incorporated herein by this reference; and
- WHEREAS, the ERN is due to expire on January 18, 2005; and
- WHEREAS, because the Revised Preferred Alternative Project described in Exhibit A to the Staff Report will require significant additional time for review by the City's Planning Department in compliance with the California Environmental Quality Act, the parties wish to extend the ERN through March 31, 2006 to allow for this review; and
- WHEREAS, for the reasons set forth in the Staff Report, the Port Commission finds that the terms of the proposed Development Memorandum meet the 13 conditions imposed by the Port Commission in the ERN; and
- WHEREAS, based on a review of State Lands Commission approval of Calendar Item 47 at the State Lands Commission meeting of June 2, 2003, the Port Commission finds, for the reasons described in the Memorandum to Port Commissioners dated October 8, 2004 for Item No. 7A (a copy of which is on file with the Secretary for the Port Commission and incorporated herein by this reference), that the Preferred Alternative Project described in Exhibit A to the Staff Report remains consistent with the public trust and the Burton Act trust; and
- WHEREAS, because the Developer is responsible for all regulatory approvals, including a permit from the Bay Conservation and Development Commission ("BCDC"), and because the BCDC permit requires a finding by the BCDC, upon advice by the State Lands Commission through a letter from its Executive Director, that the Preferred Alternative Project is consistent with the public trust, the ERN requires

Developer to present the Preferred Alternative to State Lands Commission and BCDC staff; now, therefore, be it

RESOLVED, that the Port Commission hereby authorizes the Executive Director of the Port to enter into a Third Amendment to the Exclusive Right to Negotiate agreement, extending the date through March 31, 2006, on the general terms set forth in the Staff Report, in such final form as is approved by the Executive Director in consultation with the City Attorney and further provided that the Third Amendment to ERN will not become effective unless and until Developer has agreed on or before December 15, 2004 to pay the Port a non-refundable extension fee, and the Port's transaction costs in such amount and upon such payment terms as are satisfactory to the Port's Executive Director; and be it further

RESOLVED, that the Port Commission hereby endorses the terms of a Development Memorandum, on the terms and conditions set forth in the Staff Report, which terms and conditions are incorporated herein by this reference, and hereby authorizes the Executive Director to execute the Development Memorandum consistent with such terms and in such final form as is approved by the Executive Director in consultation with the City Attorney; and be it further

RESOLVED, that the Port Commission hereby endorses the Preferred Alternative Project described in Exhibit A to the Staff Report for submittal by the project sponsor to the City's Planning Department for purposes of environmental review under the California Environmental Quality Act ("CEQA"); and be it further

RESOLVED, that this endorsement does not commit the Port Commission or any other City Agency to a definite course of action in regard to the proposed project, and the Port will not enter into a final Lease Disposition and Development Agreement for the Project which would allow for its development until there has been complete compliance with the CEQA.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 9, 2004.

Secretary

The first part of the paper discusses the importance of the study of the history of the United States. It is argued that the study of the history of the United States is essential for a full understanding of the country and its people. The second part of the paper discusses the importance of the study of the history of the world. It is argued that the study of the history of the world is essential for a full understanding of the world and its people. The third part of the paper discusses the importance of the study of the history of the United States and the world. It is argued that the study of the history of the United States and the world is essential for a full understanding of the United States and the world.

The fourth part of the paper discusses the importance of the study of the history of the United States and the world. It is argued that the study of the history of the United States and the world is essential for a full understanding of the United States and the world. The fifth part of the paper discusses the importance of the study of the history of the United States and the world. It is argued that the study of the history of the United States and the world is essential for a full understanding of the United States and the world.

The sixth part of the paper discusses the importance of the study of the history of the United States and the world. It is argued that the study of the history of the United States and the world is essential for a full understanding of the United States and the world. The seventh part of the paper discusses the importance of the study of the history of the United States and the world. It is argued that the study of the history of the United States and the world is essential for a full understanding of the United States and the world.

The eighth part of the paper discusses the importance of the study of the history of the United States and the world. It is argued that the study of the history of the United States and the world is essential for a full understanding of the United States and the world. The ninth part of the paper discusses the importance of the study of the history of the United States and the world. It is argued that the study of the history of the United States and the world is essential for a full understanding of the United States and the world.



MEMORANDUM

November 4, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Authorization to increase the contract amount with the consultant team led by Bay Area Economics, Inc. (BAE) for an additional \$112,300 and to execute a fourth amendment for Real Estate Consulting Services for the Piers 27-31 Mixed Use Recreation Project for \$112,300.

DIRECTOR'S RECOMMENDATION: AUTHORIZE INCREASE IN CONTRACT WITH CONSULTANT TEAM LED BY BAY AREA ECONOMICS, INC. AND AUTHORIZE STAFF TO EXECUTE A FOURTH AMENDMENT FOR REAL ESTATE AND OTHER CONSULTING SERVICES

Summary

In November 2002 and January 2004, respectively, the Port Commission approved a first and second extension to the Exclusive Right to Negotiate (ERN) agreement with The Mills Corporation to develop a Mixed Use Recreation Project (Project) at Piers 27-31. As part of these extensions, Mills was required to pay non-refundable Negotiating Fees of \$150,000 and Transaction Fees of \$230,000 for Port legal costs (\$200,000) and real estate consulting services (\$30,000) by the team led by Bay Area Economics (BAE) for the Piers 27-31 Project. In June 2004, the Port Commission approved an extension to certain Performance Benchmarks, and the Developer was required to pay additional Transaction Fees consisting of \$20,000 for an Embarcadero Transportation Study, \$30,000 for BAE, and \$30,000 for historic preservation work. The Developer has made all required payments for the consultant team led by BAE (\$60,000). The Port must return any unused Transaction Fees to the Developer in accordance with the ERN terms.

Port staff requires BAE's continued support for negotiations on the Lease and Lease Disposition and Development Agreement for the Project. However, the authorized contract budget for BAE's services has been completely expended. Port staff currently seeks Commission approval to increase the authorized contract amount with BAE by \$112,300 and to execute a Fourth

This Print Covers Calendar Item No. 8B



THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

RESEARCH REPORT

NO. 1000

BY

DR. J. H. HARRIS

AND

DR. R. M. M. M. M.

CHICAGO, ILLINOIS

1950

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

RESEARCH REPORT

NO. 1000

BY

DR. J. H. HARRIS

AND

DR. R. M. M. M. M.

CHICAGO, ILLINOIS

1950

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

RESEARCH REPORT

NO. 1000

BY

DR. J. H. HARRIS

AND

DR. R. M. M. M. M.

CHICAGO, ILLINOIS

1950

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

RESEARCH REPORT

NO. 1000

BY

DR. J. H. HARRIS

AND

DR. R. M. M. M. M.

CHICAGO, ILLINOIS

1950

THE UNIVERSITY OF CHICAGO

Amendment to the BAE contract for \$112,300 to cover these anticipated consultant services. All fees will be paid for by the Developer, as part of a third extension to the ERN. The fourth amendment to BAE's contract would support the remaining tasks outlined in Phase 2 of BAE's contract with the Port, and is expected to cover BAE's services through the end of the contract term, September 30, 2005.

If approved, the BAE contract will total \$267,300 as follows:

Original Contract	\$80,000	Approved January 2001
1 st Amendment	\$25,000	Approved November 2001
2 nd Amendment	\$30,000	Approved February 2003
3 rd Amendment	\$20,000	Approved September 2004
4 th Amendment	\$112,300	
Total	\$267,300	

Background

On September 17, 1999, Port staff issued a Request for Qualifications ("RFQ") from teams of consultants with multidisciplinary expertise to provide professional consulting services for waterfront planning and development projects. The Port received six responses, all of which met the "Minimum Qualifications" indicated in the RFQ. All six teams, including the consultant team led by BAE, were placed on the list of "Qualified Consultant" teams from which the Port could solicit proposals for specific consulting contracts. On September 29, 2000, the Port issued a Request for Proposals ("RFP") to all six teams to provide consultant services to evaluate responses to the Port's "Piers 27-31 Amended RFP". At its November 21, 2000 meeting (Resolution 00-89), the Port Commission authorized staff to enter into a contract with the team led by BAE to provide consulting services for the Piers 27-31 Project.

The consulting services were to consist of two phases:

Phase 1: Assist the Port to evaluate proposals received in response to the Piers 27-31 Amended RFP.

Phase 2: Assist the Port to negotiate the Development Agreement and Lease for the Piers 27-31 Project with the Developer.

An initial contract budget was set at \$80,000 -- \$53,000 for Phase 1 and \$27,000 for Phase 2. The contract, executed in January 2, 2001, was for a term through September 30, 2003.

On November 26, 2001, the Port executed a First Amendment for an additional \$25,000 for Phase 2 services not originally foreseen when the BAE contract was signed.

On February 5, 2003, the Port approved a Second Amendment for an additional \$30,000 to provide support and expertise on the Lease, Lease Disposition and Development Agreement and related documents. This process was delayed due to the State Lands Commission ruling in June 2003 that indoor recreation is not a trust use, which required the Port, with the assistance of BAE, and the Developer to negotiate a Revised Development Memorandum.

On September 21, 2004, the Port executed a Third Amendment for an additional \$20,000 to cover continued BAE support on the financial negotiations between Port staff and Mills Corporation on the Revised Development Memorandum.

If the Port Commission approves the Revised Development Memorandum on November 9, 2004, Port staff will require BAE's assistance on negotiations with the Developer on the Lease and Lease Disposition and Development Agreement, including analytic support at public hearings before the Port Commission and Board of Supervisors. Given the recreation nature of the Project, the Lease and related documents are expected to be more complex than usual for a Port development project. The Fourth Amendment would also cover services by BAE's subconsultants (e.g. urban design/planning), if necessary.

Fees paid to BAE under Phase 2 include the original \$27,000, plus the \$75,000 authorized under the first three amendments. The total for Phase 1 and Phase 2 work, to date, is approximately \$155,000.

Work Accomplished to Date Under Phase 2 of BAE's Contract

Phase 2 - Assistance with Negotiation of the Development Memorandum and the Lease Disposition and Development Agreement. As conditions of approval of the ERN, the Port Commission required the Developer to prepare a Site Plan, a Schedule and a Development Memorandum. This last condition had not been a part of the original contract with BAE.

To date, the BAE consultant team has performed the following tasks under Phase 2:

- Assisted the Port staff and legal team in direct negotiations with the Developer;
- Prepared financial business term proposals for negotiation;
- Created a financial model to illuminate the Developer's cash flow for the project in order to test assumptions regarding rents, improvement costs, timing, absorption and financial structure;
- Conducted research into specific comparables and other industry standards;
- Evaluated the Developer's project feasibility; and
- Attended meetings and developed presentations for the Port Commission.

Request to Increase Contract Authorization Amount and to Execute a Fourth Amendment to the Contract

Port staff expects that final negotiations regarding the Lease, Lease Disposition and Development Agreement and related documents would occur through April 2006.

Port staff seeks additional funding for BAE's continued support during this final negotiations period. During this time, BAE will be expected to perform the following tasks associated with the remainder of Phase 2 of the consultant contract:

- Verify the financial aspects and implications of the Disposition and Development Agreement and Ground Lease.
- Provide analytical support at public hearings before the Port Commission and Board of Supervisors.

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60607
1977

- Attend meetings and provide negotiation support for the Disposition and Development Agreement and related transaction documents.
- Provide subconsultant support as necessary.

Staff Recommendation

Staff recommends the Port Commission to approve an increase in the authorized contract amount with BAE for an additional \$112,300, for a total authorized budget of \$267,300, and to direct the Port Director to execute a Fourth Amendment to the BAE contract for \$112,300.

Prepared by: Carla Bagneschi
Planning & Development

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 04-96

- WHEREAS, Port staff on September 29, 2000 requested proposals from six Qualified Consultant Teams ("Consultant RFP") to provide consultant services on the Piers 27-31 Recreation Project under two phases: (1) Assisting the Port in evaluating proposals received in response to the Recreation Project RFP; and (2) As needed, assisting the Port with negotiating the development agreement and lease for the project with the selected developer pursuant to the Recreation Project RFP; and
- WHEREAS, On November 21, 2000, the Port Commission adopted Resolution No. 00-89 authorizing the Executive Director of the Port, or his designee, to enter into a contract with Bay Area Economics, Inc. ("BAE") for consulting services associated with the Recreation Project, in an amount of \$80,000 ("Contract"); and
- WHEREAS, Between November 21, 2000 and April 18, 2001, BAE carried out Phase 1 of its Contract with the Port Commission; and
- WHEREAS, On November 26, 2001, February 5, 2003, and September 21, 2004, the Executive Director signed three amendments to increase the Contract by a total of \$75,000 to assist Port staff in negotiating the Development Memorandum and a Revised Development Memorandum under Phase 2 of the Contract; and
- WHEREAS, On November 9, 2004, the Port Commission will be requested to approve a Revised Development Memorandum; and
- WHEREAS, If the Port Commission approves the Revised Development Memorandum, Port staff will require BAE's assistance in negotiating the Lease, Lease Disposition and Development Agreement, and related agreements with Mills; therefore, now be it
- RESOLVED, That the Port Commission hereby authorizes the Executive Director to execute a Fourth Amendment to the Port's contract with BAE, to increase the Contract amount by \$112,300, for a total contract amount not to exceed \$267,300.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 9, 2004.

Secretary

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
RESEARCH REPORT

REPORT NO. 1000

BY DR. J. H. COOPER, JR.
AND DR. J. H. COOPER, JR.
DEPARTMENT OF CHEMISTRY
UNIVERSITY OF CHICAGO
CHICAGO, ILLINOIS

RECEIVED BY THE NATIONAL BUREAU OF STANDARDS
JANUARY 10, 1950

RECEIVED BY THE NATIONAL BUREAU OF STANDARDS
JANUARY 10, 1950

RECEIVED BY THE NATIONAL BUREAU OF STANDARDS
JANUARY 10, 1950

RECEIVED BY THE NATIONAL BUREAU OF STANDARDS
JANUARY 10, 1950

RECEIVED BY THE NATIONAL BUREAU OF STANDARDS
JANUARY 10, 1950

RECEIVED BY THE NATIONAL BUREAU OF STANDARDS
JANUARY 10, 1950

RECEIVED BY THE NATIONAL BUREAU OF STANDARDS
JANUARY 10, 1950

RECEIVED BY THE NATIONAL BUREAU OF STANDARDS
JANUARY 10, 1950

**SAN FRANCISCO
PORT COMMISSION**

**NOVEMBER 9, 2004
MINUTES OF THE MEETING**

DOCUMENTS DEPT.

DEC 10 2004

SAN FRANCISCO
PUBLIC LIBRARY

MEMBERS, PORT COMMISSION

HON. WILFRED HSU, PRESIDENT
HON. MICHAEL HARDEMAN, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. SUE BIERMAN
HON. ANN LAZARUS

MONIQUE MOYER, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING NOVEMBER 9, 2004

1. CALL TO ORDER / ROLL CALL

Commission President Wilfred Hsu called the meeting to order at 3:10 p.m. The following Commissioners were present: Wilfred Hsu, Michael Hardeman, Kimberly Brandon, Sue Bierman and Ann Lazarus.

2. APPROVAL OF MINUTES - October 26, 2004 Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the October 26, 2004 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report. Director Moyer reported the following:

- Beautification Award for Pier 1 by San Francisco Beautiful: The Pier 1 Historic Renovation Project was the proud recipient of the 2004 Beautification Award, among other awards it has received in the past. Communications Manager Renee Dunn showed the Commission the Certificate of Recognition signed by Assemblyman Mark Leno. The certificate states, "Congratulations on being honored with the 2004 Beautification Award from San Francisco Beautiful. The innovative collaboration to revive Pier 1 is truly admirable. Not only have you transformed the Pier, but also created a sustainable environment that will thrive. Congratulations and thank you for your contribution to the City of San Francisco."

Ms. Moyer echoed Assemblyman Leno's congratulations to the Commission, Port staff, AMB and the community for all their efforts. Pier 1 is a remarkable building.

4. CONSENT

- A. Request approval of \$6,450 rent credit for Baydelta Maritime to relocate tenant equipment from deteriorated substructure area at Pier 15 for which Port has repair and maintenance obligation pursuant to Lease No. L-12984. (Resolution No. 04-92)

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 04-92 was adopted.

5. ADMINISTRATIVE SERVICES

A. Request authorization to award a grant contract for Youth Employment Program to San Francisco Conservation Corps (SFCC). (Resolution No. 04-90)

Tina Olson, Deputy Director for Finance & Administration, indicated that in September, staff issued an RFP for a youth employment program at the Port. Staff sent out 19 RFPs to non-profit organizations. The RFP was also posted on our website as well as the Department of Children, Youth and their Families website. Staff received five proposals: (1) Enterprise for High School Students, (2) Larkin Street Youth Services, (3) SFCRUE and (4) San Francisco Conservation Corps and (5) Young Community Developers. A three-person panel consisting of Chris Montgomery, manager from the DPW's street and cleaning bureau; Brad Benson, the Port's Youth Employment contract manager; and Aumijo Gomes, Director of New Ways Workers – San Francisco Youth Program, scored the proposals and interviewed the candidates. Through the process, they selected San Francisco Conservation Corps with a total score of 548. Staff has not fully negotiated a contract with Conservation Corps. The Port has allocated \$150,000 for the current year. The scope of services provided after FY 2004/05 will be determined in accordance with the amount of funds available in subsequent operating budgets, with a total contract value not-to-exceed \$600,000 during a four-year term.

Of the \$150,000 contract amount, \$46,540 will be used for youth wages and benefits. This represents 4,412 work hours for the youth working on Port property for the next 9 months, approximately 490 hours a month. The Corps is proposing volunteer hours on the weekends - two Saturday clean up at the Port and one Saturday for a recycling fair at the Port for the program participants – which would generate an additional 576 hours, at no additional charge to the Port. In the subsequent fiscal years, the Corps is proposing to provide an additional 528 to 720 hours per month. The Corps will leverage the funds they receive from the California Dept. of Conservation. Those funds will support the Port's program as well as other City contracts.

Anne Cochran, San Francisco Conservation Corps, indicated that the Corps is 21 years old. The program is based on the premise that if young people are given work experience for meaningful work through community service, where they see the tangible results of public improvements, it will act as a catalyst for them to learn job as well as work skills. As a function of being in the program, they also require to be enrolled in an academic program. They provide high school diploma program and GED preparation. They also provide career development services because they are one-step along the way of a young person's development. In order for them to be successful after they have gained experience and learn certain pre-employment skills, they provide them with career development programming. For one year after they have left the program, transition support services are provided to help them be successful in their future. The Corps provides work experience, job training, education, career development and post Corps activities. They look forward to working with the Port and do community improvements along Port property. They do and will continue to leverage the State dollars from the Dept. of Conservation to provide additional beautification, recycling activities and environmental fair at the Port. They will meet with staff to figure out the proposed activities so it meets the Port's mission as well as the Corps' mission of preparing young people for the world of work.

Since only \$46,540 will go toward employing the youth, Commissioner Brandon asked how the program will work. It seems that approximately \$104,000 will be for overhead cost. Ms. Cochran replied that part of what the Port will get and pay for is ten young people, and labor, support and supervision of a full-time field supervisor. The staff person is currently working on a significant restoration project for the San Francisco Rec & Park at Glen Canyon. That is where the bulk of the cost will go. In addition, because the Port requires a wraparound service to help a young person become employable, it is paying a share of the cost of the Friday education program. About a third of the cost goes towards the youth's employment, a third goes towards the staffing and the other third is for operational expenses and some overhead for the agency a whole. They run three different program sites: Fort Mason, Presidio and Mission. Each of them has operational cost. This program will come out of Fort Mason.

Commissioner Brandon asked if the Corps is going to hire ten new youths or are the youths already in the program. Ms. Cochran replied that it could be either because they have about 60-75 young people in the program every year. It's an open exit and open enrollment program. The young people can stay two years depending on progress they are making, goals they are setting and whether or not they are in a Corps member position or a leadership position. Some will be the young folks that are currently working at Glen Canyon. There will be a turnover through the course of the year because it is not a permanent job for the young folks.

Commissioner Brandon asked how the money is going to be used for the youth and exactly what it is they will be doing within the program. She understands the training and the employment part of it. She cannot understand how a youth working only ten hours a week would benefit from it. Ms. Cochran replied that the program is divided into two major parts. For thirty-two hours a week, the young people will perform community service activities. The Corps is required by the City Ordinance to pay the minimum wage at \$8.00 an hour. They will receive \$8 an hour for the 32 hours they work. They will not be paid for the remaining 8 hours because they would be working towards their high school diploma.

Commissioner Brandon indicated that she has heard wonderful things about the Corps' program. It is a blessing that the Port was able to find the money to help with the job training efforts with the City. However, she was not pleased with the fact that out of the \$150,000 contract amount, only less than \$50,000 will be used towards employing the youth. Ms. Cochran appreciated the Commissioner's advocacy on their behalf. She reminded the Commission that many of the young people working with them have dropped out of high school, have limited job opportunity and in some cases, no skills to compete in the workplace. The youths in the program will be receiving minimum wage and a high school diploma which will allow them to improve their economic self-sufficiency to be able to go on to other opportunities. The Corps is part of a national association and their young people are eligible for \$4700 educational scholarship after they leave the program to go on to secondary education. The Corps is not the place for the young people to go to if they were only after the wages. She also thinks that's not what the Port is looking for because the Corps is not a job vocational

training program, but rather a job readiness program. The program provides the youth with high school education, career planning, job placement and one year of support activities, such as apprenticeships with the local unions or relationships with City College. Part of what the young people are getting is the wraparound nature of the approach to helping them get to the next step.

Commissioner Brandon asked about the Corps' success rate for the young people going into a higher education and finding jobs. Ms. Cochran replied that based on anecdotal data, they have about a 70% success rate. They have received a grant from the Haas Foundation to do a database to allow them to provide the data. She noted that there will be an opportunity for middle and high school kids to participate in the Saturday program. It will expose even younger kids to pre-employment opportunity and provides skills and motivation to stay in school.

During the negotiations of the contract, Commissioner Brandon suggested to look at hiring more than ten kids. She understands the wraparound concept of the program but would like to see more than a third of the funding go towards the employment of the youths. Ms. Cochran clarified that the RFP called for employing ten youths. They responded according to the proposal; however, they would be happy to meet with staff and work something out.

Commissioner Brandon indicated that when the contract is negotiated, she hopes that more funding would be available for employing the youths. If it's not possible to employ more than ten youths, perhaps look at increasing the number of hours they work.

Commissioner Brandon asked if this has to be a four-year contract. Ms. Olson replied that it does not have to be a four-year contract. The reason they asked for a multiple year contract is because the RFP process and selecting a contractor is time consuming. She prefers to have a longer time frame and the contractor can have something to rely on for a few years as opposed to one year at a time.

Commissioner Brandon proposed a two-year contract with a two one-year extension if at the end of the first two years, it's successful. Ms. Olson replied that it's structured as four years for an-up-to-amount each year, subject to availability of funds. The language will be built into the contract because staff was not sure how successful this program will be and we're not sure if we will be able to afford it.

Commissioner Brandon added that this is a great project but would like the Commission to be knowledgeable and kept abreast of the contract. Ms. Olson replied that staff will provide the Commission a progress report.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-90 was adopted.

B. Request adoption of the Port's Proposed Surplus Furniture, Fixtures and Equipment Policy. (Resolution No. 04-91)

Tina Olson indicated that the Port did not have a policy related to selling or disposing of surplus furniture, fixtures or equipment. The formulation of the policy stemmed from the controversy over the Port's sale of an old pile rig last year and the recent reduction of the Port's fleet of vehicles. The Executive Director directed staff to develop such a policy. Staff from all of the Port divisions helped draft the proposed policy. It identifies those items that the Port can decide to sell or dispose of because they aren't old or unique enough to warrant review for historic value such as Port cars and trucks. In addition, it allows Port staff to dispose of debris. Items 45-years or older and/or have a unique function at the Port could have historic value. In which case, the proposed policy identifies the steps required before the Port can sell or dispose of those items. This proposed policy was sent out to the historic community for their review and they are comfortable with the proposal.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 04-91 was adopted.

6. ENGINEERING & MAINTENANCE

A. Request approval to award the Construction Contract No. 2697, "Embarcadero Promenade Improvements," to Valentine Corporation. (Resolution No.04-93)

Kim von Blohn, Project Manager, indicated that this project is funded with the Federal Transit Administration Grant and Port's Capital funds for a combined funding of \$353,000. The object of this project is to open a portion of the San Francisco waterfront to create views of the bay from the Embarcadero. This project takes place north and south of the fire station. The views will be accomplished by removing a 4-foot high solid wall and chain link fence from about 300 feet north of the firehouse to 150 feet south of the firehouse. The project is split into two parts. The base bid is the 300-foot section north of the firehouse. As an additive alternate, the 150 feet section south was placed in the bid. Port staff published solicitation of bids on July 29, 2004. On October 28, 2004, staff received three bids. Port and HRC staffs reviewed the bids and found that Valentine Corporation was the lowest responsive, responsible bidder for a total price of \$236,639. Since this price is lower than the funds available, staff looked at the additive alternate which Valentine bid at \$80,000. Since this was under the \$353,000 price for the project, it was included in the award for a total cost of \$316,639. Mr. von Blohn asked the Commission to authorize staff to award the contract to Valentine Corporation in the amount of \$316,369 plus a 10% contingency of \$31,637.

Ernestine Weiss, Golden Gateway Center, asked what type of enhancements will be included in the project. Mr. von Blohn replied that the enhancements include a decorative wall that matches the existing section north of the firehouse. This project does not include anything other than replacing the wall and fence.

Commissioner Lazarus indicated that she had the same question as she had at the last meeting about the language in the resolution. The second to the last resolved reads that we are including the award of the contingency. She asked if the language should be

The first part of the paper discusses the importance of the study of the history of the United States. It is argued that a knowledge of the past is essential for a full understanding of the present. The author then goes on to discuss the various factors which have shaped the development of the United States, including the influence of the British, the Spanish, and the French. He also discusses the role of the American people in the creation of the nation. The second part of the paper is a detailed account of the American Revolution. It begins with the outbreak of the war in 1775 and ends with the signing of the Treaty of Paris in 1783. The author describes the military and political events of the war, as well as the role of the various states. He also discusses the impact of the war on the American people. The third part of the paper is a discussion of the American Constitution. It begins with a description of the Constitution and its various provisions. The author then discusses the role of the Supreme Court in the interpretation of the Constitution. He also discusses the various amendments to the Constitution. The fourth part of the paper is a discussion of the American Civil War. It begins with the outbreak of the war in 1861 and ends with the signing of the Emancipation Proclamation in 1863. The author describes the military and political events of the war, as well as the role of the various states. He also discusses the impact of the war on the American people. The fifth part of the paper is a discussion of the American Reconstruction. It begins with the end of the Civil War in 1865 and ends with the Reconstruction era. The author describes the various efforts to rebuild the South and to integrate the freed slaves into society. He also discusses the role of the federal government in the Reconstruction process. The sixth part of the paper is a discussion of the American Gilded Age. It begins with the end of the Reconstruction era in 1877 and ends with the beginning of the Progressive Era in 1890. The author describes the various economic and social changes of the Gilded Age, as well as the role of the federal government. He also discusses the impact of the Gilded Age on the American people. The seventh part of the paper is a discussion of the American Progressive Era. It begins with the beginning of the Progressive Era in 1890 and ends with the beginning of the New Deal era in 1933. The author describes the various reforms of the Progressive Era, as well as the role of the federal government. He also discusses the impact of the Progressive Era on the American people. The eighth part of the paper is a discussion of the American New Deal era. It begins with the beginning of the New Deal era in 1933 and ends with the end of the New Deal era in 1945. The author describes the various programs of the New Deal, as well as the role of the federal government. He also discusses the impact of the New Deal on the American people. The ninth part of the paper is a discussion of the American Cold War era. It begins with the end of the New Deal era in 1945 and ends with the end of the Cold War era in 1991. The author describes the various events of the Cold War, as well as the role of the federal government. He also discusses the impact of the Cold War on the American people. The tenth part of the paper is a discussion of the American post-Cold War era. It begins with the end of the Cold War era in 1991 and ends with the present. The author describes the various events of the post-Cold War era, as well as the role of the federal government. He also discusses the impact of the post-Cold War era on the American people.

written differently because it sounds like the Commission is authorizing the award of the contingency automatically.

Mr. von Blohn replied that the funding includes a normal construction contingency of 10%. The actual award to the company does not include the contingency. The funding includes the contingency because there are often change orders. Commissioner Lazarus understood the principal but the language reads that the Commission is automatically awarding the contingency.

Commissioner Hsu asked if the resolution should be amended as suggested by Commissioner Lazarus.

Ms. Moyer proposed to add the following language to the resolution, "...plus a 10% contingency of \$31,637 to be subsequently awarded if changes are necessary to complete the project."

ACTION: Commissioner Hardeman moved approval of the resolution as amended; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 04-93 was adopted.

7. REAL ESTATE

- A. Request authorization to approve settlement of the unlawful detainer lawsuit entitled "City and County of San Francisco v. California Foundation on the Environment and the Economy, Inc.," Superior Court of California, County of San Francisco, Case No. 04-611219, under the terms set forth in the form on file with the Secretary of the Port Commission and in the form approved by the City Attorney's Office. (Resolution No. 04-94)

Phil Williamson indicated that pursuant to Port Commission Resolution No. 98-76, the Port and the California Foundation on the Environment and the Economy ("CFEE") entered into a five-year lease for office space located in the bulkhead portion of Pier 35. Subsequently and pursuant to Port Commission Resolution No. 99-94, the Port approved a sublease of 60% of the premises to Contra Integrated, Inc. Section 21.4c of Lease No. L-12606 states that CFEE shall be entitled to sublease up to 50% of the premises without the obligation to pay additional rent to Port. The excess sublease rent of approximately \$66,361.68 remains outstanding and is hereby addressed as part of this settlement agreement. Tenant's lease provides for reimbursement of certain Tenant improvement costs via a rent credit mechanism. Tenant believed the Port had previously certified \$41,296.05 in rent credits and Tenant proceeded to pay monthly rent less the perceived monthly credit allowance. However, as the Port in fact had not certified said improvement costs, on July 28, 2004, the Port commenced an unlawful detainer action against CFEE for non-payment of rent totaling \$40,143.20.

The Port and CFEE entered into a settlement agreement in order to resolve the dispute without further litigation. Mr. Williams requested the Port Commission to approve the settlement agreement of the unlawful detainer lawsuit.

The first part of the paper discusses the importance of the
 second part of the paper discusses the importance of the
 third part of the paper discusses the importance of the
 fourth part of the paper discusses the importance of the
 fifth part of the paper discusses the importance of the
 sixth part of the paper discusses the importance of the
 seventh part of the paper discusses the importance of the
 eighth part of the paper discusses the importance of the
 ninth part of the paper discusses the importance of the
 tenth part of the paper discusses the importance of the
 eleventh part of the paper discusses the importance of the
 twelfth part of the paper discusses the importance of the
 thirteenth part of the paper discusses the importance of the
 fourteenth part of the paper discusses the importance of the
 fifteenth part of the paper discusses the importance of the
 sixteenth part of the paper discusses the importance of the
 seventeenth part of the paper discusses the importance of the
 eighteenth part of the paper discusses the importance of the
 nineteenth part of the paper discusses the importance of the
 twentieth part of the paper discusses the importance of the
 twenty-first part of the paper discusses the importance of the
 twenty-second part of the paper discusses the importance of the
 twenty-third part of the paper discusses the importance of the
 twenty-fourth part of the paper discusses the importance of the
 twenty-fifth part of the paper discusses the importance of the
 twenty-sixth part of the paper discusses the importance of the
 twenty-seventh part of the paper discusses the importance of the
 twenty-eighth part of the paper discusses the importance of the
 twenty-ninth part of the paper discusses the importance of the
 thirtieth part of the paper discusses the importance of the
 thirty-first part of the paper discusses the importance of the
 thirty-second part of the paper discusses the importance of the
 thirty-third part of the paper discusses the importance of the
 thirty-fourth part of the paper discusses the importance of the
 thirty-fifth part of the paper discusses the importance of the
 thirty-sixth part of the paper discusses the importance of the
 thirty-seventh part of the paper discusses the importance of the
 thirty-eighth part of the paper discusses the importance of the
 thirty-ninth part of the paper discusses the importance of the
 fortieth part of the paper discusses the importance of the
 forty-first part of the paper discusses the importance of the
 forty-second part of the paper discusses the importance of the
 forty-third part of the paper discusses the importance of the
 forty-fourth part of the paper discusses the importance of the
 forty-fifth part of the paper discusses the importance of the
 forty-sixth part of the paper discusses the importance of the
 forty-seventh part of the paper discusses the importance of the
 forty-eighth part of the paper discusses the importance of the
 forty-ninth part of the paper discusses the importance of the
 fiftieth part of the paper discusses the importance of the
 fifty-first part of the paper discusses the importance of the
 fifty-second part of the paper discusses the importance of the
 fifty-third part of the paper discusses the importance of the
 fifty-fourth part of the paper discusses the importance of the
 fifty-fifth part of the paper discusses the importance of the
 fifty-sixth part of the paper discusses the importance of the
 fifty-seventh part of the paper discusses the importance of the
 fifty-eighth part of the paper discusses the importance of the
 fifty-ninth part of the paper discusses the importance of the
 sixtieth part of the paper discusses the importance of the
 sixty-first part of the paper discusses the importance of the
 sixty-second part of the paper discusses the importance of the
 sixty-third part of the paper discusses the importance of the
 sixty-fourth part of the paper discusses the importance of the
 sixty-fifth part of the paper discusses the importance of the
 sixty-sixth part of the paper discusses the importance of the
 sixty-seventh part of the paper discusses the importance of the
 sixty-eighth part of the paper discusses the importance of the
 sixty-ninth part of the paper discusses the importance of the
 seventieth part of the paper discusses the importance of the
 seventy-first part of the paper discusses the importance of the
 seventy-second part of the paper discusses the importance of the
 seventy-third part of the paper discusses the importance of the
 seventy-fourth part of the paper discusses the importance of the
 seventy-fifth part of the paper discusses the importance of the
 seventy-sixth part of the paper discusses the importance of the
 seventy-seventh part of the paper discusses the importance of the
 seventy-eighth part of the paper discusses the importance of the
 seventy-ninth part of the paper discusses the importance of the
 eightieth part of the paper discusses the importance of the
 eighty-first part of the paper discusses the importance of the
 eighty-second part of the paper discusses the importance of the
 eighty-third part of the paper discusses the importance of the
 eighty-fourth part of the paper discusses the importance of the
 eighty-fifth part of the paper discusses the importance of the
 eighty-sixth part of the paper discusses the importance of the
 eighty-seventh part of the paper discusses the importance of the
 eighty-eighth part of the paper discusses the importance of the
 eighty-ninth part of the paper discusses the importance of the
 ninetieth part of the paper discusses the importance of the
 ninety-first part of the paper discusses the importance of the
 ninety-second part of the paper discusses the importance of the
 ninety-third part of the paper discusses the importance of the
 ninety-fourth part of the paper discusses the importance of the
 ninety-fifth part of the paper discusses the importance of the
 ninety-sixth part of the paper discusses the importance of the
 ninety-seventh part of the paper discusses the importance of the
 ninety-eighth part of the paper discusses the importance of the
 ninety-ninth part of the paper discusses the importance of the
 hundredth part of the paper discusses the importance of the

Table 1: Summary of the results of the study									
Variable	Mean	Standard Deviation	Minimum	Maximum	Skewness	Kurtosis	Shapiro-Wilk	Normality	Significance
Variable 1	1.2	0.5	0.0	2.0	0.1	0.2	0.95	0.05	0.001
Variable 2	1.5	0.6	0.0	2.5	0.2	0.3	0.90	0.10	0.002
Variable 3	1.8	0.7	0.0	3.0	0.3	0.4	0.85	0.15	0.003
Variable 4	2.1	0.8	0.0	4.0	0.4	0.5	0.80	0.20	0.004
Variable 5	2.4	0.9	0.0	5.0	0.5	0.6	0.75	0.25	0.005
Variable 6	2.7	1.0	0.0	6.0	0.6	0.7	0.70	0.30	0.006
Variable 7	3.0	1.1	0.0	7.0	0.7	0.8	0.65	0.35	0.007
Variable 8	3.3	1.2	0.0	8.0	0.8	0.9	0.60	0.40	0.008
Variable 9	3.6	1.3	0.0	9.0	0.9	1.0	0.55	0.45	0.009
Variable 10	3.9	1.4	0.0	10.0	1.0	1.1	0.50	0.50	0.010

Richard Shearer, CFEE Counsel on behalf of Pat Mason, CFEE Executive Director, indicated that he was prepared to answer any questions or concerns the Commission may have regarding the settlement agreement.

Commissioner Brandon asked about the amount of the settlement agreement. Mr. Williamson replied that there is an arrearage of rent due the Port \$40,143.20. There's also an amount of rent credits that the Port has since certified of \$41,296.05. The excess sublease amount is \$66,361.68. As part of the settlement agreement, the tenant agrees to pay in full the arrearage. With regard to the excess sublease rent, the Port will first apply the certified rent credit amount to the balance, leaving another \$25,065.63 due to the Port. Through negotiations, the tenant agreed to pay a portion of that up front \$15,188.83, leaving \$9,876.80 still due the Port. Through negotiations, the Port and the tenant have agreed to increase the base rent for the following two years to reimburse the Port for this additional amount outstanding. CFEE agreed to pay the Port the excess rent going forward as required by the lease.

Commissioner Brandon indicated that the resolution only referred to the default for non-payment of rent totaling \$40,143.20 and wondered where the \$15,188.83 is being paid. Mr. Williamson indicated that the last whereas clause of the resolution references the settlement agreement. The settlement agreement has the terms of those payments.

To address Commissioner Brandon's concerns, Ms. Moyer proposed amendments to the resolution to articulate the balances that are owed to the Port. The following paragraphs were added after the 4th paragraph:

Whereas, Port agrees that the amount of certified rent credits is \$41,296.05; and
Whereas, Port agrees to offset the excess sublease rent of \$66,361.68 with the certified rent credit amount of \$41,296.05 leaving minimum balance due Port of \$25,065.63;
and

Whereas, CFEE agrees to pay \$15,188.83 towards remaining balance due Port leaving a remaining balance due Port of \$9,876.80; and

Whereas, Port agrees to accept CFEE's letter dated 8/19/04 as proper and effective notice of CFEE's intent to exercise its option to extend the term until October 31, 2006.

ACTION: Commissioner Brandon moved approval of the resolution as amended; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 04-94 was adopted.

8. PLANNING & DEVELOPMENT

- A. Request approval for the Port Commission to endorse the terms of the Revised Development Memorandum for the Piers 27-31 Mixed Use Recreation Project and approve a Third Amendment to the Exclusive Right to Negotiate with SF Piers 27-31, LLC (Site location: Piers 27-31, on the Embarcadero between Bay and Battery Streets). (Resolution No. 04-95)

Lynda Swanson, Project Manager, indicated that staff will present the terms of a

revised development memorandum which include a project description, a site plan that will be analyzed in the environmental impact report and the financial terms negotiated with Mills. The proposal calls for the Port Commission to grant authorization to the Port Executive Director to enter into a revised development memorandum before December 15, 2004. The reason for the slight delay is to complete outstanding negotiations regarding fees and payments. In addition staff will present the terms of a third amendment to the Exclusive Right to Negotiate (ERN) that would extend this document to be in effect through March 31, 2006. The approval will be conditioned on agreement by the developer on or before December 15, 2004 to pay an ERN negotiation fee and other fees to cover the Port's cost and meet certain performance benchmarks.

A summary of the development memorandum is included in the staff report to the Commission. The highlights are as follows: the project description and site plan is going to be discussed separately from the financial terms. On October 12, 2004, staff presented a summary of that information in some detail. Staff stated then that this plan represents work that was done since June 2003 at which point, the State Lands Commission rendered a finding that substantially altered the plan in ways that conflicted with the goals set forth in the RFP. It reflects about 18 months of work by the Commission, Port staff and the Northeast Waterfront Advisory Group (NEWAG). She thanked NEWAG and the Fisherman's Wharf Advisory Group, the Citizens to Save the Waterfront, SPUR and the Waterfront Design Advisory Committee and the Design Review Board as well as a number of individual communications by personal meetings, by letter, memorandum, etc. for their extraordinary efforts to conduct a number of public meetings about this project.

As a result of this work and regulatory review and Commission direction, Port staff and the developer have come to an agreement on the site plan and uses as was described in the October 8, 2004 staff report. It reflects changes that resulted over the previous 18 months' plan in the following ways: It achieved 51% of the indoor program space, excluding the water, making that space recreation. It restores indoor recreation 44% more than it had been in the State Lands Commission (SLC) finding. It now includes additional facilities including bowling, an outdoor rink as well as indoor recreation. The outdoor recreation court sport and playing areas that can be used for a variety of sports and recreation were reshaped. The sports valley was widened in order to attain the goal of making it both flexible and usable day-in and day-out, year round. It also reorganized the space to open up the interior corridor especially in the bulkhead building so people could readily see and enjoy the historic features of the building. It reorganized the circulation pattern, widening the YMCA entry, making it clearer that one could reach the interior of the project by walking through the northeast wharf plaza. It reduced the restaurant and retail while retaining the requirement that 80% of the retail will be recreation oriented. The Mills Corporation will post on their website the results of a study from Sedway Associates taking a look at the worse case effects of this project on a retailer who have concerns that there might be competition. The office space has been cut by 39% below what was in the original response to the RFP and 18% below what was in the SLC findings. The parking and traffic issues were addressed in a number of ways: By moving valley parking into the garage so as to reduce the likelihood of more congestion at the street level. Changing the sports valley

1870-1871. The first year of the war. The Union army was defeated at the Battle of Bull Run. The Confederacy was established. The war continued for four years.

The war was fought between the Union and the Confederacy. The Union was led by Abraham Lincoln. The Confederacy was led by Jefferson Davis. The war ended in 1865 with the Union's victory.

The war was a turning point in American history. It led to the abolition of slavery and the preservation of the Union. The war also resulted in the Reconstruction era.

The war was a period of great suffering and loss. It resulted in the deaths of over 600,000 soldiers and civilians. The war also caused the destruction of property and the displacement of millions of people.

The war was a period of great change. It led to the abolition of slavery and the preservation of the Union. The war also resulted in the Reconstruction era.

The war was a period of great change. It led to the abolition of slavery and the preservation of the Union. The war also resulted in the Reconstruction era.

The war was a period of great change. It led to the abolition of slavery and the preservation of the Union. The war also resulted in the Reconstruction era.

The war was a period of great change. It led to the abolition of slavery and the preservation of the Union. The war also resulted in the Reconstruction era.

The war was a period of great change. It led to the abolition of slavery and the preservation of the Union. The war also resulted in the Reconstruction era.

The war was a period of great change. It led to the abolition of slavery and the preservation of the Union. The war also resulted in the Reconstruction era.

entry, deepening it, making it two lanes so vehicles can move in and out quickly and making it possible for the YMCA entryway for their busses. Assigning a parking manager at the site during peak hours to handle potential conflicts on the Embarcadero.

Additional Port conditions are reflected in the terms of the development memorandum. This document lays out the key financial terms and the project scope and is intended to form the basis for the lease disposition and development agreement and the lease which will be signed towards the end of the project. Included in the document is a Port requirement that at least 95,000 glsf (80% of total retail space) will be occupied by recreation-related uses. The developer will cover all development costs except for rent credit for the Northeast Wharf Plaza and certain agreements which Mr. Bennett will describe in greater detail.

The second item for Commission's action is the extension of time for the ERN. This time is needed to move through the considerably long list of remaining regulatory reviews for the project. The proposal would extend the term of the ERN to March 31, 2006 or the date on which the Port Commission and the developer enter into the LDDA. It permits the parties time to complete the final EIR, allow action on the LDDA and lease by the Port Commission and the Board of Supervisors. The ERN extension also requires certain fees, notably the ERN extension fee and a fee to cover all the Port's transaction costs in mounting the project through the next phase. These are to be negotiated with the developer before December 15, 2004 and it identifies a set of performance benchmarks in the ERN. The most notable of which is that prior to January 18, 2005, the developer will sit down with SLC's staff and review the site plan to be certain it is in compliance with the public trust restriction. This project is ready to move forward to the next phase.

Ms. Swanson reiterated that this is not the final approval of the project contrary to public's opinion. Commission's approval today makes it possible for staff to move forward with a coherent and agreed-upon project description for the EIR. It makes possible active public review to the process that the City Planning department sets out for this document as well as routine approvals for the Port Commission and other agencies. Some community members were confused about the Port's process because they are accustomed to either the Redevelopment Agency or City Planning process. The Port Commission approval process is different in that it deals with both the City's and State's needs and processes. The latter most notably is the State Lands Commission which has very complex and technical sophisticated set of requirements under the public trust and BCDC which share some of the obligations and has open space and public access requirements. Staff has been working closely with City Planning so that all the issues are identified even though they are not identified in precisely the same way as a Planning Commission or a Redevelopment project might be. For example, the Waterfront Land Use Plan was reconciled with the General Plan. The Special Use District which resulted in creating the Waterfront Design Advisory Committee includes members from City Planning, the Mayor's Office and the Port, reviewing the project for an array of issues concerning urban design, site layout, pedestrian use, etc. that might be reviewed by other entities in a Planning Department project. The Embarcadero Transportation Study that was presented a few weeks ago

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
CHICAGO, ILLINOIS 60637

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
CHICAGO, ILLINOIS 60637

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
CHICAGO, ILLINOIS 60637

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
CHICAGO, ILLINOIS 60637

was a co-project by City Planning and the Port. In the course of this review, the project is subject to extensive studies concerning urban design, environmental issues, public trust issues, open space, public access, transportation etc. Port staff and the developer will continue to listen to the public and look forward to meeting with them in other settings regarding this project.

Bill Wycko, City Planning Department and coordinator for the environmental review and overseer of the transportation work, gave a brief overview of the environmental process. It is a cumbersome process that allows a project to get to a decision making body. It's the pre-step; it's not the decision step. In that process, they will identify the full range of environmental impacts that should be addressed under State law. They have had two submittals for the environmental process and they have had only partial reviews. In essence, the environmental process is not where it would normally be with a project that has been around as long as it has because it has essentially been overcome by outside events. In the case of the first submittal, while they were reviewing it, the project went to State Lands Commission. The second submittal happened simultaneously with the process that went from the Board of Supervisors to the Port to assess where the project was. They made some progress but there is a lot of work still to be done.

They, at the Planning Department, are hoping to get enough stability to the project definition and to the process that they can do the work they need to do so that the project gets heard on its decision making track. They have tried to move forward what they can move forward specifically, the transportation analysis as the project has evolved. There have been a number of submittals. The submittals tend to mirror the evolution and changes in the project and the revisions they've asked for in terms of getting the analysis more complete. In terms of the transportation component, they do not look at the project in isolation. They put the project in context of what else is going on. They are looking at this project in terms of other development potential including through traffic in the area. The numbers they come up with reflects anticipated growth in the area. In terms of the specifics of the project, they start with the level of activities generated by the project or trip generation. It looks at particular uses and typical level of activity on a daily and peak-hour basis. Their focus is on the peak hour, both weekday and weekend situation. There are a lot of numbers floating around. He cautioned that most of the numbers he has seen have nothing to do with the numbers that they are generating. For example, there is a number of 7000 daily vehicle trip while the numbers they have are about 6,000. He cannot account for where people are coming up with the numbers. Their role is to present something that is consistent with how they do things with the City and have done things in the City over a period of time. There is some underlying thread of consistency and objectivity to what they are doing. Their role is not to promote or crucify the project but be as neutral as they can. In terms of parking and traffic, they did the original count at the time the project was proposed. As is typically is the case in the northern waterfront, people don't propose a project in the summer where they can do summer counts. Typically, people go through the summer, and then they proposed the project and they don't want to wait until the summer. They did the counts in the fall. Because of the pattern of projects coming in off-season, they have a lot of information collected over the last 20 years that shows patterns of differences between seasonal variations. When they took the traffic counts,

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60637
1980

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60637
1980

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60637
1980

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60637
1980

THE UNIVERSITY OF CHICAGO PRESS
CHICAGO, ILL. 60637
1980

they knocked them up 21%. They are not just using October counts but increasing them to reflect the numbers that are historically seen. In terms of the story line on the traffic with the project as it is modified, there is somewhat less activity, somewhat less impact. In terms of significant impacts, they are largely the same story. There are three intersections along the Embarcadero where significant impacts have been identified: Broadway, Sansome, and Harrison. That part of the story is somewhat reduced but the same story applies in terms of the preliminary numbers. In terms of what the cars do to the rest of the environment, their central concern has been how they interact with people whether with pedestrians on Herb Caen Way or with bicycles on the edge of this project. The numbers are everywhere and are misleading. What's not wrong is that there are legitimate concerns regarding these conflicts. The numbers may not be as high as 700 cars crossing Herb Caen Way, its more like 300 but 300 cars crossing the Embarcadero with a lot of pedestrians is a legitimate source of concern. Those are issues they are exploring. There are approaches that have been identified in recent months that are promising but they don't have the answers yet. The answers have something to do with a person physically being there, managing the situation, and physical controls as well. Maybe everything they would come up with will culminate as saying that it is a significant impact. At this point, they are trying to get the issues defined and get preliminary ideas about how to deal with those problems. There are the same issues in terms of the bicycles. Not only do the cars have to cross the bicycle lane to enter parking but they are also crossing the bicycle lane to get to the drop off area. There is a potential with the YMCA moving some of its drop off activities onto the pier to reduce some of the conflicts. His biggest concern is to minimize the points of exposure for bicycles. It's one thing to have a car entering and exiting at certain points. At least the bicyclists know where the car is going to be at risk for them. It's more an issue when there's a prolonged and multiple places of exposure. In terms of parking issues, the program has reduced the amount of parking on the pier to about 200 spaces. There are another 100 spaces that are secondary, back-up supply that Hornblower has. There's parking demands but there's a deficit in terms of the amount of parking that is being supplied on the project site versus the amount of cars that would want to park on the project site. There's definitely anywhere from 200-300 cars that would need to park somewhere else. If you take the project and plank it down right now in it's own setting, there are some spaces available that get eaten up on a weekday situation. On the weekend, there are other facilities that are not as heavily used. The story line for weekday and weekend situations if you take a longer term perspective like the report presented a few weeks ago and layer in a bigger geographic area and a larger set of projects, the parking will be full not only in the immediately adjacent but also in the broader area. The strategy becomes a matter of policy. The policy question becomes how do you manage the parking supply and how do you affect how people travel. It's not a question of what do you do with the parking but you have to do something. Much of the parking now is for long-term. Long-term parking means one guy gets in and monopolizes the space all day. A project like this has people coming and going. A space is used multiple times. A large part of the strategy, to the extent that the Port and adjacent areas can control parking, is to move towards a short-term parking usage so that the space is used more efficiently. In terms of the other part of the strategy, i.e. how you affect people's behavior, we have a relatively new transit service. The numbers he has seen so far are inaccurate. The roughly 700 people being added to the transit service demand is more than the F-line

can absorb now in terms of the service that they have and the service that is currently funded. Muni does have an extensive plan for expanding the F-line service, in terms of frequency and reliability and adding the E-line which would extend from China Basin to the wharf area. The unknown aspect is the funding situation. That would be something that will become clear during the environmental process. It is fair to say that the service there is paid for in terms of funding for the F-line. There's more people being generated with this project than the existing demand and what could be absorbed on that service. It is also not fair to say that nobody has a clue on how to address that. Muni has a well-developed plan that would be able to absorb the demand. The question is money.

In conclusion, Mr. Wycko indicated that this is a work in progress, especially in the overall environmental and transportation analysis. They are closer to having final numbers in terms of how much activity this project generates, how it reflects itself on the streets, sidewalks, the street cars, busses. They have made some progress although they don't have final answers on how to manage the situation. They are putting together the analysis and potential solutions to the problem identified. They need some stability in terms of the project. In terms of dealing with the project as it moves forward, they need consistent definition to the project and an opportunity to get the feedback from everybody reviewing the project.

Kirk Bennett, Manager of Waterfront Development Projects and lead negotiator on the revised financial terms, indicated that since January 2004, when the Commission indicated its desire to renegotiate the terms as a condition to extend the ERN, Port staff and Mills have conducted an extensive series of negotiations on the financial terms. Port staff has been assisted throughout these negotiations by Bay Area Economics, the independent real estate economic consulting firm, whose costs were reimbursed by Mills. Port staff has reached an agreement with Mills on a set of a revised financial terms that staff believes provides the Port with a fair return on this particular asset and a very favorable participation in the upside potential of this project. The revised financial term to be included in the Lease Disposition and Development Agreement and the lease are outlined in the staff report. Briefly, he outlined the fundamental financial terms and review why Port staff believes that the revised financial terms satisfy the Port Commission conditions.

The lease term remains at 66 years with the delivery of the site to the developer. The base rent during construction is \$1.2 million per year. The initial base rent is \$2.4 million per year from project opening. There will be inflation-based increases between 10% and 20% every 5 years beginning after year 5. It should be noted that the development memorandum which is being revised provides for only \$700,000 per year during construction and initial annual base rent of only \$1.4 million after construction. Participation Rent: The Port will be paid 50 % of annual Project Cash Flow in excess of Preferred Return. Project Cash Flow is defined as the cash flow from the project after deducting: (a) Developer's payment of Port's guaranteed Base Rent, operating expenses, debt service, and capital and re-tenanting reserves; and (b) receipt by the Developer of a Preferred Return. The 11% annual Preferred Return to the Developer will be based on adjusted total Equity which equals total project costs, less historic tax

The first part of the report deals with the general situation of the country and the progress of the work. It is followed by a detailed account of the various projects and the results obtained. The report concludes with a summary of the work done and the conclusions reached.

The second part of the report deals with the results of the various projects. It is followed by a detailed account of the various projects and the results obtained. The report concludes with a summary of the work done and the conclusions reached.

The third part of the report deals with the results of the various projects. It is followed by a detailed account of the various projects and the results obtained. The report concludes with a summary of the work done and the conclusions reached.

The fourth part of the report deals with the results of the various projects. It is followed by a detailed account of the various projects and the results obtained. The report concludes with a summary of the work done and the conclusions reached.

The fifth part of the report deals with the results of the various projects. It is followed by a detailed account of the various projects and the results obtained. The report concludes with a summary of the work done and the conclusions reached.

credit proceeds, less the costs of the NE Wharf Plaza, and less the construction/permanent debt.

Preferred Return is cumulative. Deferred payments accrue simple interest at LIBOR plus 200 basis points between the close of escrow and the project opening and 11% compounded annually after project opening.

Proceeds from Sale or Refinance: Port will receive 10% (15% after year 20) of the net proceeds from sales of the leasehold. Port will receive 10% (15% after Year 20 & 5% after Year 50) of net refinancing proceeds, excepting the refinancing of the construction loan with a permanent loan. The amount of the participation that the Port receives from refinancing shall be offset against the calculations of Port participation in subsequent sale.

Mr. Bennett described how the negotiated financial terms satisfy the conditions set by Port Commission, in particular Conditions 6, 8, and 13 of the 13 Conditions included in the ERN.

Condition #6: The developer should be responsible for all development costs of the project, including all utilities, public restrooms and open space, excluding only the rent credits as provided in the RFP.

The parties have agreed that the Developer is responsible for all development costs, including regulatory approvals, construction of all on- and off-site improvements, including public restrooms, hazardous materials remediation, utility restoration and relocation, and Phase I of the Northeast Wharf Plaza. Mills is also responsible for reimbursing the Port for certain of the Port's predevelopment costs. The total private investment by Mills - debt and equity - is approximately \$190 million. \$25 million of these costs represent repairs and upgrades to the pier substructures for which the Port does not have another source of funding.

The Port's financial contribution will be limited to staff time during the initial redevelopment, plus maximum rent credit of \$2.1 million for the costs to make the Phase I improvements of the Northeast Wharf Plaza, which represents a requirement of the Port pursuant to the amended BCDC Special Area Plan. This rent credit will be taken against 50% of the \$2.4 million annual Base Rent commencing on project opening until fully amortized (about 21 months), as contemplated in the RFP. The Developer will not be granted a preferred return on costs for the Northeast Wharf Plaza. The parties will negotiate categories of excluded costs and the method for determining caps on total costs, and these will be included in the LDDA. Port staff believes that these terms of the Revised Development Memorandum fully satisfy Condition #6.

Condition #8. Negotiations are required regarding terms of Port participation in sale and financing proceeds, and participation in historic tax credits.

Port staff believe that the terms negotiated for this participation are comparable to those of recent Port development transactions, such as the Ferry Building, Pier 1, Piers 1½, 3 and 5, and the Piers 30-32 Cruise Terminal. It is decidedly superior to past Port

development leases, such as for Francisco Bay Office Park and Pier 39, which do not provide for any Port participation in refinancing or sale proceeds. Port staff determined that the Port would benefit from accepting a higher Base Rent in exchange for foregoing participation in historic tax credits. In addition, as with other development lease transactions, such as the Ferry Building, the historic tax credits are subtracted from the Developer's Equity, thereby reducing the Developer's Preferred Return and increasing the Port's Participation Rent.

Condition #13. The Base Rent, percentage rent and other rental must be at fair market and must comply with the terms indicated in the RFP.

Port staff, with assistance of its economic consultants, BAE determined the acceptable fair market rental value for the Premises, based upon the proposed uses, to be \$2.4 million per year. This amount also exceeds the revenue that the Port currently receives from this facility from interim uses, and much more than the volatile income that it has received from this facility in the past.

The periodic cumulative cost of living increases are identical to the terms of most recent Port development leases, and better than the cost of living adjustment provisions in the Ferry Building lease. The Participation (percentage) Rent structure compares favorably to other public/private real estate transactions involving the City or the Port, and would be considered to reflect the market for such similar transactions. The basic Participation Rent structure agreed to by the parties is similar to the Participation Rent structure in the lease for the Ferry Building. BAE determined that this structure is expected to generate significant Participation Rent for the Port, comparable to that achieved through a percentage structure based upon gross receipts as described in the RFP and as provided in the lease for Pier 39 and for the Piers 1½, 3 and 5 project. Although the Developer would receive a cumulative Preferred Return before the Port would receive Participation Rent, the agreed upon Participation Rent structure provides the Port with the following protections not in the lease for the Ferry Building:

1. Deferred Preferred Return payments accrue during the construction period at only simple interest of LIBOR plus 200 basis points;
2. In any year the Project Cash Flow is in excess of a 15% minimal return on equity, the Port will receive 50% of Project Cash Flow in excess of a 15% annual return, regardless of unpaid accrued Preferred Return;
3. The Developer's 50% share of Project Cash Flow after its Preferred Return shall be applied to return of equity - thereby decreasing the Developer's Preferred Return;
4. Upon refinance, the debt coverage ratio shall not exceed 1:3 - assuring that there will be Project Cash Flow upon which the Port's 50% Participation Rent would be calculated; and
5. The Port's Participation Rent will not be directly affected by sales of the leasehold; however, a sale of the leasehold would result in return of Developer equity, therefore reducing or eliminating the Developer's Preferred Return.

Port staff believes that Condition #8 and #13 have been met, with terms favorable to the Port. Port staff also believes that the financial terms in their entirety are favorable to the Port, and will be a critical component for the Port achieving economic sustainability.

Commissioner Hsu indicated that the debt coverage ratio should be 1 to 1.3. Mr. Bennett concurred. Commissioner Hsu asked if the LIBOR +200 basis points would be calculated monthly or annually. Mr. Bennett replied that component has not been negotiated yet. Commissioner Hsu indicated that LIBOR rate changes so frequently. If LIBOR goes up 100 basis points within a year, he asked which rate would be used at year-end. Mr. Bennett replied that what happens with the cost during construction will be calculated throughout the construction period and then at the end of the construction period, there will be roll-up. They have not gotten into the specifics of how it's going to be calculated throughout that period. That is one of the items that they will be finalizing in the negotiations between the development memorandum and the lease document. Commissioner Hsu indicated that the fact that money will be used up rapidly during the construction period and that LIBOR is likely to move rapidly, he suggested doing a one-month LIBOR and square up at the end of each month or do a longer term LIBOR rate. Mr. Bennett appreciated Commissioner Hsu's input and the developers have heard the comment as well and will try to incorporate it into their negotiations.

Commissioner Bierman was concerned that in the summer the recreational skating will be free but in the winter, it will not be. Mr. Bennett replied that with regard to the skating rink, they are concerned about affordability. The skating rink in the sports valley would be free. The developer has indicated that the rink will be handled by an operator and will be charging a fee similar to the operation at the Embarcadero in the wintertime. It is expected that throughout the summer months, it will be a roller hockey. The developer has not determined whether they can convert it to skating in the wintertime.

Commissioner Bierman asked if staff could get an agreement for one day to allow the kids who don't have the money to skate. Mr. Bennett replied that the developer is listening to the Commissioner's comments but there is a statement in the development memorandum regarding affordability and creating opportunities. As they proceed, they will be negotiating that issue that the Commissioner has expressed. Commissioner Bierman asked staff to report back. Mr. Bennett replied that this is the development memorandum which outlines the fundamental terms. Between now and the December 15th, staff and the developer will finalize the development memorandum, which provides the basis of the negotiations of the lease and staff will report back to the Commission.

Byron Rhett, Deputy Director, conveyed the staff's recommendation on this project. He explained the mission and the goals behind this effort. Staff has been working on this project for a number of years since this area was designated on the Waterfront Land Use Plan for recreation project. When this effort began with the issuance of the RFP in September 2000, the goals of the RFP were to develop a mixed-use recreation and retail project with restaurants and open space that would create a City and regional

attraction similar to the Ferry Building and the ballpark. Staff believes that the proposed recreation project meets those goals and it is a project that will bring people from San Francisco, from the region and the state to this area. The public open space provides over 4000 s.f. of linear public access for the project, 2.4 acres of open space and 80,000 s.f. of open space around the YMCA building, the outdoor recreation will bring people to the waterfront. The Mission of the Waterfront Plan was to reconnect San Franciscans with the waterfront. This is another in a series of projects that will meet that goal. He acknowledged the following agencies for their efforts in this process: State Lands Commission (SLC) and BCDC. Port staff and the developer addressed their concerns in the revised development agreement. The SLC approved the project in June 2000. BCDC, through its WDAC, looked at the project design and made sure that they are consistent with the approvals received from SLC. This \$200 million project will include superstructure improvements, the repairs of Piers 29, 29½, 31. It will also include the construction of the new YMCA building and the repair of the substructure. The nearly \$200 million in improvements will be borne by the developer at no expense by the Port beyond the \$2 million for the plaza. In addition to those improvements and the long-term maintenance that the developer is responsible for, this project will generate new tax revenues for the City. All of those improvements come to the Port and to the City at no expense beyond Port staff time. Much of staff's and consultant's time will be underwritten by the developer. Mr. Rhett reiterated that this project meets the goals of the overall Waterfront Plan reconnecting the City with the waterfront and the goals of the RFP for a mixed use recreation project that includes both active, passive, public access, retail and office. He acknowledged the following people for all their efforts on this project: Monique Moyer, Kirk Bennett, Jonathan Stern from BAE, Lynda Swanson, Diane Oshima, Neil Sekhri, Noreen Ambrose, and most importantly Lynda Swanson, the project manager. He requested the Commission to approve Resolution No. 04-95.

Ernestine Weiss, Golden Gateway Center, asked the Commission not to rubber stamp this project because the traffic problem has not been adequately resolved. The Port has not taken into consideration the traffic impact created by the Ferry Building and the Piers 1½, 3 and 5 project. The Port has yet to do a parking study. The EIR should be determined before the Commission approves this project. Staff seems to think that this project is perfect when it is not. She asked the Commission not to pass this item without considering parking and traffic and the impact it will have to the City.

Joe Abuzaid, Flags & Things and owner of three stores at Pier 39, has been a Port tenant for the last ten years and a resident of the waterfront area. On behalf of other merchants and retailers at Pier 39, who are afraid to come before the Commission in fear of retaliation from Pier 39 management, he believes that this project is great for the City, the residents, the merchants and the tourists. He can't wait for the development to be done so he can join the YMCA and take her daughter for a walk in their outdoor recreation area. As a merchant, this is a great opportunity for him to have an alternative than being a Pier 39 tenant and live with their unfair business practices and conflict of interest in being partners with of some of its tenants.

Russell Farnell, volunteer of Historic Ships Memorial at Pacific Square, indicated that the USS Iowa battleship is sitting in Suisun Bay. They have evidence that in the next

several months, the ship will be put up for donation. Several new volunteers have been added to the organization and they are the key component to their winning the ship from the Navy. A proposal has been submitted but they continue to make improvements to the proposal. A new volunteer from the fire department will be preparing the safety and emergency plans to show the Navy that the organization is organized and prepared to run the museum. The other key component behind this effort is a place to berth the ship. They would like to put the ship on the waterfront between Pier 39 and Pier 48. Pier 27 is one of their favorites. They need to commit to a pier and show the Navy that the City is serious about it. They have evidence that another City has a pier and is planning their proposal. They need a commitment from the City that they have a place to berth the ship.

Bill Stephens, Historic Ships Memorial at Pacific Square, endorsed the long-term placement of a historic vessel at Pier 27. It is necessary because USS Iowa will need a berth. Pier 27 is one of the most attractive berth and is currently in fine condition along the waterfront. He also acknowledged the fact that Pier 35 would be another alternate and best long-term berth for USS Iowa. Pier 27 is an excellent place for the ship to be berthed at the present time. This project will be successful like the USS Midway in San Diego which was brought down a few months ago. That ship saw 250,000 visitors in 8 weeks. It means that those visitors and tourists at Fisherman's Wharf will spend an extra day here and spend the revenue and have another pleasant experience to tell their family about because of the USS Iowa. Pier 27 represents an intricate part of any proposal as Pier 35. A berth is essential for the successful acquisition of the ship. The question was asked how far along are they with the proposal. They have met many of the extensive list of conditions that the Navy requires to acquire one of their ships. A berth is one of the most important conditions. Their financials, everything depend on that berth. A determination or availability of that berth is critical. They have met with Dianne Feinstein staff and Congressman Grassly staff and their good support for bringing the ships to San Francisco. HSMPS was invited to the Smithsonian to look at the new exhibit called America on the Move. It includes the Port of San Francisco. It talks about how San Francisco went from being a very successful cargo port to losing that business to Oakland. They would not like to see San Francisco miss another opportunity to win a very historic and national treasure such as the Iowa which will benefit the community, economically, socially and educationally.

Roger Bazeley, District 3 Resident, indicated that what's important is the overall quality of life and walkable cities. He visited and looked at the public safety issue in Boston, New York, Philadelphia and Washington, D.C. In Boston the area was incredibly comfortable with the different types of development they have done in the last 20 years. In some of the piers, they have housing sections that were extremely well done. There is a very intimate harbor for private yachts and kids sailing program, water taxis, historic walks, etc. The Port should be looking at that type of development and how that was done. He supports mixed-use project because it keeps an area alive at night. If the project is pure commercial space, there will be a blackout building at night and the City is dead. It's important that the types of stores that will be put in the project do not compete with Pier 39. He is amazed and thrilled on what's happened to the Ferry Building, it's a quality project. He hopes that it would be expanded. There is a real need for affordable recreation. Some of the YMCA fees are not that affordable.

THE FIRST PART OF THE HISTORY OF THE
LIFE OF THE LATE KING CHARLES THE FIRST
BY JOHN BURNET
IN TWO VOLUMES
THE SECOND PART
BY JOHN BURNET
IN TWO VOLUMES
LONDON: Printed by J. Sturges, at the Angel in St. Dunstons Church, 1689.

THE SECOND PART OF THE HISTORY OF THE
LIFE OF THE LATE KING CHARLES THE FIRST
BY JOHN BURNET
IN TWO VOLUMES
THE SECOND PART
BY JOHN BURNET
IN TWO VOLUMES
LONDON: Printed by J. Sturges, at the Angel in St. Dunstons Church, 1689.

THE SECOND PART OF THE HISTORY OF THE
LIFE OF THE LATE KING CHARLES THE FIRST
BY JOHN BURNET
IN TWO VOLUMES
THE SECOND PART
BY JOHN BURNET
IN TWO VOLUMES
LONDON: Printed by J. Sturges, at the Angel in St. Dunstons Church, 1689.

They charge \$15 for a single swim, forcing one to pay a large monthly fee. There's not enough affordable exercise places for middle class families and for seniors. This City has gotten so over the top in expenses. As far as the traffic is concerned, this relates to the peak period. If a place gets crowded, there will be a shift of people in that area in terms of usability. Muni is getting more riders to use the system. He thinks this project will enliven this area of the City and supports it if they can stay honest on their proposal.

Dawn Riley, America True, indicated that over the years, the developers of the piers project has worked with the community to get as much input as possible. They have been and will continue to be extremely flexible in the design of the project to reflect what the needs are and the interest of the community. The design of the project is to open up the bay to the land dwellers and allow the boaters to get into land. With the YMCA and the Mills support, they continue to go out into the community and do outreach to make sure that the people that don't even know these opportunities exist understand that they do exist and they will be provided for them at Piers 27-31. They have worked with Lake Merced and Marin City. They have a program at Bayview Hunter's Point area. All the kids had a great time. When the piers project opens, the kids will have this opportunity everyday and it's not only exclusive to children. It's open for every age and ability. They have disabled sailing. They also plan on having senior sailing and programs during weekday afternoons. The desire is out there. The kids are restless. She hopes that the Commission approves this project so they can build this project someday soon.

Karen Foss, co-owner of Fish Restaurant in Sausalito, indicated that she's familiar with the piers project and eagerly await the Commission's approval so the project can go forward. Their restaurant is one of the few restaurants in the bay area that is accessible by water. There's a demand for more. It's a shame that California's most beautiful resource is not accessible to more people and can't be enjoyed by more. They believe in the community. They had a privilege of working with America True by sponsoring sailing programs. They give at-risk kids in Marin City a chance, to get out into the community, to learn skills and become more educated about their environment. They have so much fun that community members who are not at risk, senior citizens and young adults are clamoring to be part of the program. Their program is very successful. They have seen a positive impact to the community by offering programs such as this. She asked the Commission to approve the program so more people can have this opportunity.

Steven Jacobsen, Mills Corporation, indicated that this is a result of a lot of very hard work. He has been doing this business for a long time. This is probably one of the most difficult negotiations that he has ever been through. He believes that they have come a long way from a program standpoint as well as income. He believes that this is a project that will work for everybody. It will work for the Port, for the City and for Mills. He acknowledged Byron Rhett, Lynda Swanson, Kirk Bennett and Jonathan Stern for all their hard work. It was a hard fought and very detailed negotiation. Every part of the deal was looked at. They came up with a program that works for all. This is an opportunity to do something special. People are amazed with this project and they commend them for this public/private partnership with YMCA, America True and the

The fourth part of the document outlines the procedures for handling financial transactions. It details the steps involved in processing payments, from the initial invoice to the final payment. The text also discusses the importance of obtaining proper documentation for all transactions, such as receipts and invoices.

The sixth part of the document outlines the procedures for handling financial transactions. It details the steps involved in processing payments, from the initial invoice to the final payment. The text also discusses the importance of obtaining proper documentation for all transactions, such as receipts and invoices.

Port. He addressed Commissioner Bierman's comments regarding affordability for children to use the skating rink. They have a very excellent relationship with America True and with Dawn Riley's connection with the Women's Sports Foundation. They will actively go out and get Olympic athletes and others to come to the piers to give the kids an opportunity to play with Olympic athletes or hockey players. It will be a great marketing ploy and also great for the kids. They will also have a day for the kids to use the skating rink for free. They have 51% of recreation. He personally thinks that water should be included in the calculation, which puts the project over 60%. 35% is public access as well as tremendous reductions in retail and increase in recreation. Besides affordable recreation for kids, it's also important to note all the benefits from this project: the \$220 million investment, 1600 construction jobs which represents \$80 million of payroll, 1800 permanent jobs and over \$11.1 annual tax revenues to the City and the State. This is a good project that addresses the issues of the community. It's a project that has sustainability. He gave the Commission Mills commitment to do the project that is right and they look forward to working with staff through its completion.

Tom Creedon, Scoma's Restaurant, commented that listening to Byron Rhett's comments, this project sounds terrific. It will bring a lot of people to the waterfront. It is really great except right now, it's uncomfortable on both weekend days and some weekdays to just drive down the Embarcadero. Since 2000, Scoma's revenues went from \$15 million to \$13 million. There's been a decline in business at Fisherman's Wharf and they can't afford to lose any more. With this attraction, it will be difficult for cars to get to the facility. It's going to cause a back up with cars queuing for other cars that are going in the opposite directions. As soon as they see the attraction, people's first impulse is to put their foot on the brakes and decide where to go. This is a distraction. He has spoken before hoping that a traffic study would bring these things out. He would hope that the Commission would hold back in making a decision until a traffic study is done that truly represents what's going on in the Embarcadero.

Nunzio Alioto, Alioto Fish Corp., a tenant for the past 80 years, was concerned about traffic and parking on the Embarcadero. With the past, current and future developments at the Port, it is not what they are expecting to see in terms of gridlock but it's the current gridlock that they are experiencing. The Commission should take a strong position in directing its staff to do a comprehensive and complete study on the parking and traffic flows on the Embarcadero so that the vitality and health of Fisherman's Wharf, a vital important revenue stream, not only to the City but pays most of the people's salaries that work for the Port will not be severely impacted. Until such time that study is taken, nothing should be done.

Ron Kaufman, Northern Waterfront Historic District, indicated that three generations of his family live near the project. He worked across the street from the site for the last 44 years restoring the historic district. At the NEWAG meeting, the solution to the hotel project was to downsize it dramatically. That is exactly the solution needed for this project. Bill Wycko mentioned that there will be 200-300 car parking deficit. With the Pier 15-17 project, hotel project and Piers 27-31 project, there will be at least twice the amount of parking deficit. He just picked up the 30-page November 5th report to the Commission. It's the first time he has seen it. The Port has an enormous public

The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the literature review and the methodology used in the study. The second part of the paper presents the results of the study and discusses the findings. The third part of the paper concludes the study and provides recommendations for future research.

The study was conducted using a quantitative research design. The data was collected from a sample of 100 participants. The results of the study show that there is a significant relationship between the variables studied. The findings suggest that the study has implications for the field of research. The study also identifies some limitations and suggests areas for future research.

The study was conducted using a quantitative research design. The data was collected from a sample of 100 participants. The results of the study show that there is a significant relationship between the variables studied. The findings suggest that the study has implications for the field of research. The study also identifies some limitations and suggests areas for future research.

The study was conducted using a quantitative research design. The data was collected from a sample of 100 participants. The results of the study show that there is a significant relationship between the variables studied. The findings suggest that the study has implications for the field of research. The study also identifies some limitations and suggests areas for future research.

trust that is going to affect them the next 50 years or so. The financial term has been done in secret. He asked the Commission to run the numbers. If you take preferred return that is interest bearing cumulative and run out the numbers, you will probably get \$2.50 a year for a million years. It doesn't make sense to accept those kinds of terms. Page 12 of the report talks about community outreach. Yet, it was two years after this project was conceived that the developer made a presentation to the neighborhood. He asked the Commission to urge the developer to talk to the neighborhood first, not to the rest of the City with a dog and pony show. As to recreation, if you take out the YMCA as an entity, you're left with 72,000 square feet of indoor recreation. He urged the Commission to give the public more time to look at the information that was just presented and come up with constructive comments.

Ronald Courtney, Courtney Enterprises, indicated that being a retailer in San Francisco for 35 years gives him some perspective on retail. This project will be here for a long time. The developer is investing \$200 million. It takes a long time to pay that money. Mills Corporation stated that the traffic study is a work in progress. He does not see how one can support a work in progress. Since the F-line is always crowded, the only other way to get people down Embarcadero is by car. He asked the Commission to take more time to address the traffic problem.

Brian Hayes, Pier 39, thanked the Commission for dedicating their lives to the community. Pier 39 has 1000 parking spaces. The Mills project is three times Pier 39 and it only has 400 parking spaces. Mills has admitted that they haven't even negotiated with Hornblower regarding the other parking spaces. This project is not going to physically work. He supports the other speakers that are advocating for more study. He asked the Commission for its fullest consideration to their request.

Meryl Wong indicated that she is the founding director of the lead educational organization working on the community project to bring the USS Iowa to the Port of San Francisco to serve in a new and dignified role as a museum attraction, memorial, and potential crisis response center. The Commission has expressed support especially in recent times about the importance of identifying an available berth or berths to moor this majestic ship. Because Pier 27 and only Pier 27 on the northern waterfront has been identified by Mayor Newsom as being able to handle the ship the size of the Iowa, on behalf of the millions of supporters to bring Iowa to the Port of San Francisco she asked for the Commission's support. The supporters include Congressional leaders, the State of Iowa, the California Legislature, businesses and civic groups, youth, countless citizens, veterans, educators and generations. She confirmed that there exist provisions for berthing historic ships particularly USS Iowa at Pier 27. As a native San Franciscan, a Bay Area native and a citizen, in order to maximize the use by and present as many options as possible to the Port it being a public trust to the people of the State of California and San Francisco residents, that the Port Commission in rendering its decision today and in the future, see to it that the Port has as many options as possible if not, unlimited as to Pier 27 and all of its berths. She was concerned about the revised Development Memorandum Sections 4A.2 and 4D.4 where ceremonial or temporary berthing is provided for, however, not defined especially in business and financial terms. The length of berthing, whether short, intermediate or long-term, was not defined. The USS Iowa represents the third and

final opportunity to the Port to bring a ship of such caliber, charisma, historical significance, national consequence, global appeal and revenue generating capability. It has been a decade-long quest. She just returned from Washington, D.C. and had meetings with the Navy as well as congressional representatives to fulfill the spirit of existing legislation to bring the ship to the Port and is prepared to write the Secretary of the Navy to make that possible.

Carol Hull, San Francisco Bowlers Emergency Aid Relief, talked about the importance of including a bowling center in this project, not a token bowling center like the one in Yerba Buena. She belongs to a league that used to bowl at Japantown. They now have to go to Serra Bowl. They have 30 teams in their league. Bowling used to be one of the largest participatory sports in San Francisco. They now have to leave the City to bowl. When Japantown was closing, kids, adults, teens, seniors everyone spoke about the shame of closing the last bowling center in the City. She's worried that Mills is not allowing enough space to have a significantly sized bowling center. Bowlers also need parking because they carry heavy bowling equipment. They need to count on the fact that they can park because the league starts at a designated time. The Commission should take into consideration and listen to the speakers' concerns about parking and traffic.

Nan Roth was struck by Mr. Rhett's comments regarding the purpose of this project as stated in the RFP and the fact that he left out that office and retail were to be ancillary to the recreational use. She referred the Commission to a report that was commissioned by the Port on the impacts of this project, as originally proposed, would have on Port businesses and tenants. Although some of the numbers have changed, the retail numbers have changed very little since then. The retail number has been reduced 8%. The report states... "In general, waterfront retail specialty centers have had difficulty maintaining unique theme retail in the longer term e.g. maritime retail. Specialty centers such as the South Street Seaport in New York City and Harbor Place in Baltimore have had to aggressively re-tenant and refocus their specialty retail centers over the years often shifting the retail mix away from its original themes. Other waterfront projects which have not successfully repositioned retail mix have either failed such as the Jack London Village in Oakland and Port of Call in San Pedro or have instead shifted towards office space such as Pier 70 in Seattle and Ghirardelli Square and the Cannery in San Francisco..." These experiences present the risk that the proposed project may not be able to viably remain recreation-oriented retail in the longer term. She asked the Commission to revisit the report that was done earlier by this company which remains under contract with the Port on other projects and participate in the lease negotiations. This report should be updated to reflect the current figures and deal with the impact of the office space use as well. The concluding paragraph states that the substantial office retail, eating and drinking space proposed by Mills is expected to compete with existing businesses on Port property. The impact of the office space is expected to be confined to the initial lease-up period and periods of market weakness but these impacts could be significant during these periods due to the participation rent lease structures for Pier 1 and the Ferry Building and the amount of Class C space the Port leases. Except for fast food operations the eating and drinking establishments will compete with other such businesses on Port property including both existing businesses at Fisherman's Wharf and those planned

on other projects such as the Ferry Building and Piers 1.5, 3 and 5. To the extent that the retail shifts from a pure active recreation sport theme, the retail uses could compete with other retail uses on Port property including Pier 39, the Ferry Building and Piers 30-32.

Keith Sagers, SF Bicycle Coalition, indicated that they are concerned about conflicts between cars crossing the Herb Caen Way on the Embarcadero, pedestrians and joggers using the sidewalk and bicyclists using the bike lane. They are also concerned about the sidewalk being narrowed from 29 feet to 11 feet in front of those piers. Also according to BCDC guidelines, parking is not an acceptable use of City piers.

Terry Grenchick indicated that one of the speakers from the October 12th hearing mentioned that one intersection at the Broadway and Embarcadero degrades from a D to an E. F is gridlock. This sounds like a good project but she doesn't think it's going to work. It's entirely too big for this area. She wondered if anyone has considered the cruise ships that call at the Port. At least six times a month, the street is blocked and it ties up traffic. With the Ferry Building, Pier 39, Fisherman's Wharf, Pier 30-32, she can't see how we can handle more traffic without more study. She asked the Commission to look at that before it considers the Mills project.

David Banyard, designer with Mills Corporation and resident of the area, indicated that the people working on this project are very aware of what's going on in the area. They pay strict attention to making sure that they address the public's concerns. As a resident, he would like to see a project like this in the area for the citizens of San Francisco.

Bill Wong, San Francisco Building Trades Council, indicated that since the beginning of this process, the Building Trades has always supported this project. This project will produce 1600 construction jobs. They are pleased with Mills commitment of using highly trained and skilled union members. It will not only benefit them but also the San Francisco community and the bay area as well. This project will improve the landscape of the waterfront. Once this project is done, it will create a lot of service jobs needed in the City and create a new tax revenue the City needs. He urged the Commission to pass this project.

Michael Jones, President of Alta Planning and Design, a national firm that specializes in bikeway and pedestrian projects, indicated that some of their experience included the San Francisco Bicycle Master Plan. He has reviewed the site plan and the transportation study for this project. One of the things that caught his attention is the treatment of Herb Caen Way. Herb Caen Way is part of the San Francisco Bay Trail, one of the premier waterfront promenades in the country, definitely in San Francisco and California. During the peak period, it carries a tremendous number and variety of people, i.e. over a thousand people per hour. The volume is one of the highest in the bay area. With this project, those volumes are expected to double to 2000 people per hour on one promenade. To compound that issue is the fact that the width of the drop off areas will be reduced by a third to approximately 11 feet. It's not just the volume of people but the mixture of uses. A mixed of people needs space to function safely. He was concerned with the fact that with the narrow width, people will be standing

The first part of the paper discusses the importance of the study and the objectives of the research. It also mentions the scope of the study and the limitations.

The second part of the paper discusses the methodology used in the study. It includes the data collection methods, the sample size, and the statistical analysis.

The third part of the paper discusses the results of the study. It includes the findings of the research and the conclusions drawn from the data.

The fourth part of the paper discusses the implications of the study. It includes the practical applications of the findings and the suggestions for future research.

The fifth part of the paper discusses the conclusion of the study. It includes the final thoughts of the researcher and the overall summary of the findings.

The sixth part of the paper discusses the references used in the study. It includes the list of books, articles, and other sources consulted during the research.

waiting to be picked up or waiting for shuttles, while at the same time people will be coming out of the doorways directly from the building out onto a 11 feet space. It will create a conflict that will result in serious safety considerations. Cars trying to get into the drop off areas will be stacked up on the Embarcadero. A solution for that problem was not included in the current plan. The bike lanes will also be impacted. This project needs to be well thought out and it requires additional study.

David Parisi, Principal with Parisi Associates Transportation Consultants, indicated that over the last two months the Commission heard some claims by the project's proponents based on their theory and their science. Things such as there will be no impacts to pedestrians and bicyclists. There's extra room on the F-line currently on peak periods. Traffic flows freely during peak periods during the summer conditions. Traffic volumes in the winter are actually higher than traffic volumes during the summer. One out of every four parking spaces on the street is available. He is a registered traffic engineer. He can be held liable for his work so he takes his work seriously. He has over 20 years of experience including work in a multi-modal corridors that's why the City, the Transportation Authority, Muni, DPT hired him to manage the Market Street study where they analyzed all modes along that roadway. He knows the traffic engineering science. The studies the Commission has heard and seen so far don't hold up to reality. First, the work does not follow standard traffic engineering and transportation planning practices. The analysis periods should always be based on the periods when the facility operate at a typically highest service levels. In other words, the analysis should be based on summer conditions. All counts of survey should be no more than one-year-old. The traffic data, parking data, transit data, pedestrian data, bicyclist data were all conducted during periods besides summer time and some are over four years old; a fatal flaw. Another example is that the Embarcadero is a very congested roadway. When you analyze intersections along congested corridors such as the Embarcadero, looking at intersection level of service, one needs to take into account the travel demands - how much traffic wants to get through an intersection; how much is backed up; how much is queued. The current study only looks at how much is actually getting through the intersections and just counts all the traffic that wants to get through. That's why the Commission is only hearing that the project will not have any impacts because they are only considering traffic that is going through the intersections without any consideration for the actual travel demands, which is also a fatal flaw. If the Commission is making a decision to pursue the project based on the traffic analysis seen so far, they need to realize that it is seriously flawed. It defies common sense. An objective study needs to be conducted before any further work is done.

Douglas Perry, Publisher of Organized Labor Newspaper, urged the Commission to proceed with the negotiations with Mills. This is especially important right now and good for the City's economy. Their members need to work in the construction trade unions. This project will produce 1600 construction job as well as permanent jobs. YMCA will serve a lot of groups that are not normally served in the financial district. This project will improve access to the waterfront. Everyone seems to be concern about traffic. When the Embarcadero project was developed and the high-rises were proposed, a lot of people didn't want it because it represented the Manhattanization of San Francisco. They made that decision to go to the next level. Now, everybody likes

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-5000
FAX: 773-936-5001
WWW.HA.UCHICAGO.EDU

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-5000
FAX: 773-936-5001
WWW.HA.UCHICAGO.EDU

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-5000
FAX: 773-936-5001
WWW.HA.UCHICAGO.EDU

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-5000
FAX: 773-936-5001
WWW.HA.UCHICAGO.EDU

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-5000
FAX: 773-936-5001
WWW.HA.UCHICAGO.EDU

the high-rises, the office buildings and the Bart system which relates to the traffic issue. You don't build the City to accommodate the existing traffic system. You improve the traffic system to serve the City as it develops. San Francisco is in the center of a 9-county bay area, it serves the region and it's a great city. We should not make decisions on development based on what exists now but we should look at what the future can be.

Bob Harrison, transportation consultant for Mills Corporation, commented that most of what is being asked for today is additional study. In fact, that is exactly what the environmental process will do. It will go through a very comprehensive additional study. Secondly, because they have done preliminary analysis, they are able to say that this project will have less impact than other projects, which have been considered, along the waterfront. He was personally involved with the ballpark. He also worked on the Mission Bay project and looked at the numbers of Pier 30-32. Those projects have a greater potential impact than this project. He thinks that there is a little bit of over reaction but the good news is for everybody's sake, they are going to do the study. They are going to the science. They are going to have the numbers and come to a conclusion whether those numbers are a disaster as some feels or if they can be managed. Typically, it has been his experience that in a big city, you try to manage those problems. You don't just stop developing because you think there might be a traffic problem. As Bill Wycko mentioned, there are numbers out there floating around. The sidewalk will not be narrowed to 11 feet. In fact, with the removal of some of the raised ribbon areas, the useful space for pedestrians will be increased as part of this project. There will be more space for pedestrians. This project is not three times bigger than Pier 39. Parking at the Pier 39 garage is not just for Pier 39. It serves the entire Fisherman's Wharf which is bigger than Pier 39. One request which they would be happy to support is the use of summer 2004 data because they collected the summer 2004 traffic count and parking data. They found that the demand in summer 2004 was less than the counts that were taken in October 2002. As Bill Wycko reported the City is requiring them to use the older data increased by 21% to reflect summer time volume, as it is higher during the summer. They are using the worst case data as they have been requested to do.

Sal Cisneros, Vice President of SF YMCA, indicated that even though this is not the final vote on this project, it is historic in the sense that the Commission will continue to move forward a project that is visionary and innovative in its inception. It does meet the goals as stated by Mr. Rhett in terms of what the Commission envisioned more than 4 years ago. The Port is also embarking on a vision for many San Franciscans. This is a project that will open up the waterfront for people who don't have an opportunity to get there. Dawn Riley's programs, the YMCA's programs reach out the entire San Francisco population, not just the people in the waterfront. It's important to note that YMCA is an affordable, accessible organization. They do charge fees to cover their cost. They also provide a number of financial assistance. Over 25% of their budget goes back to the community for financial assistance, well over a \$1 million. Every YMCA project throughout the City has a substantial amount of financial assistance programs that reach out in the community and serve the needs of those individuals that cannot afford to participate. Over the four years, there has been a tremendous amount of effort, a review not only from the public but also from the

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

project team. He commended Port staff; they worked diligently with the Mills project team. YMCA is proud to be a partner of the Mills. At every turn, they stepped up and met the needs and questions have been answered They couldn't have asked for a better partner. He supports Port staff's recommendation. They look forward to a historic vote of a private/public partnership that will be second to none.

Paul Scott, Telegraph Hill Dwellers President and member of the Citizens to Save the Waterfront, indicated that the writing seems to be on the wall to some extent. He reminded the Commission of the conditions that were placed on Mills in 2001. Some of the most important conditions were to significantly reduce retail, restaurant and office space on this project. Mr. Rhett confirmed that each of those conditions were supposed to decrease. In addition, the indoor recreation component was supposed to increase significantly so that the commercial uses were ancillary. That obviously did not happen. The retail component of this project has actually increased which is directly inconsistent with the Commission's conditions on award. The indoor recreation component is about one third. Though they have added some outdoor recreation, the project is not consistent with the Commission's own conditions on award. The new recreation facilities that were added are low quality space. The ceilings are low. You can't get a basketball court, an ice rink or anything that requires any ceiling space into the space that they are offering. Their space is not usable for active recreation purposes. The additional square footage they provided, some 17% increase indoor recreation is not a meaningful additional 17% because of the quality of space. At the end of the day, there is a change in this project that is for the worst, in terms of retail, it's more of a mall than it ever was. The recreation has not materially changed for the better. They are not happy with this project. The community, the businesses and the environmental groups, an unlikely coalition, has a great deal of concern about this project. He asked the Commission to spend more time thinking about this project. Commissioner Hsu raised a concern about the financing of this agreement, as did Mr. Kaufman. There are very serious questions about the traffic issues and the study has not been completed. It is strange that the Port will embark on a process that depend on traffic when it doesn't even understand the entire issue.

Michael Theriault, Ironworkers Local #377, lifelong SF resident indicated that Mr. Wong, Mr. Perry and Mr. Cisneros have already made most of the points he was going to make. They all support the project.

Louis Giraudo, member of the Save the Waterfront Group, indicated that the group is very proud of the job that Director Moyer and the staff have done in bringing this project together. From day one, they have made it clear that they don't want to stop this project. They too want the 1600 jobs the project will produce. They too want people to go ice skating for free and want children to be able to swim. However, they are upset because they don't believe that the parking and traffic issues they see as citizens and competitive merchants have been addressed. The Fisherman's Wharf merchants can compete and do well. They believe that they will bring more people down to their locations and that they will do better business but it won't happen if there is gridlock on the Embarcadero. He personally took the four parking companies in San Francisco to the site, showed them the drawings and was told that it will not work. It's going to hurt Mills and it's going to hurt the businesses in the area and the

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637

TO THE HONORABLE CHAIRMAN OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF CHICAGO
FROM THE DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
SUBJECT: A REPORT ON THE PROGRESS OF THE
RESEARCH PROJECTS DURING THE YEAR
1967-1968
The Department of the History of Arts and Architecture
has the honor to acknowledge the support and
encouragement of the Board of Trustees during the
past year. The Department has been fortunate
in having a number of distinguished scholars
and artists who have contributed to the
 advancement of the Department's research
and teaching programs. The following is a
summary of the progress of the research
projects during the year 1967-1968.

The Department has been fortunate in having
a number of distinguished scholars and artists
who have contributed to the advancement of
the Department's research and teaching
programs. The following is a summary of the
progress of the research projects during the
year 1967-1968.

people who have to walk up and down the Embarcadero. The only responsible thing to do is to extend this for further study in a short period of time. He does not want Mr. Stevenson to have to spend more money. He wants someone to pay attention to a very real issue. The Pier 39 garage empties out three times a day, 1000 parking spaces in the high season. The developer of this project is going to solve it with valet parking by moving it inside the building. There will be gridlock. From day one, they made it clear to Mills that they don't want to stop their project. The neighbors, merchants, citizens, children, bicycle riders and everyone in this City are concerned that there will be gridlock, a parking lot where there is supposed to be a roadway. They thought that by increasing the indoor recreation significantly that the demand for traffic and parking will be reduced. They said that they have the votes at the Commission and the Board - who needs to listen to the citizens of San Francisco. The negotiation is wonderful and staff beat the developer to some degree with respect to the uses but at the end of the day, somebody has to solve the parking problem. He thanked the Commission for their hard work and the wondrous job the team has done but hopes that someone is able to take control of the parking and traffic issues.

Marco Esposito, Landscape Architect, reiterated Bob Harrison's point that the sidewalk at its narrowest point is 21 feet, not 11 feet. It never gets narrower in the experience along the project frontage.

Vedica Puri, Telegraph Hill Dwellers, indicated that last time and in this time, the Commission saw a significant number of residents from Wharf 1 and Wharf 2, a low-income senior and disabled housing complex that houses over 300 seniors, two blocks away from this project. They are deeply concerned about the project, its impact on the traffic, on the seniors and the mobility of the seniors. They are hearing that the fix is in. Mills has the votes. She asked the Commission to stop that perception and do something about it. It cannot be true. If the fix isn't in, these are the things that need to happen now: do a 60 day continuance. Last time she asked for 90 days and was given 30. She's asking for a 60-day continuance for the following reasons: The transportation study is not done. Ms. Swanson mentioned that a study assessing the economic impact on the Fisherman's Wharf businesses will be posted on Mills' website. She asked where it is and how come they don't have it before the Commission approves the site plan. She asked if anybody studied the Iowa issue and if a citizen advisory committee has reviewed it. What they heard from Mills is that they can do the studies as part of the EIR. She asked how the Commission can approve a revised plan but the key issues have not been worked out. Once this gets in the EIR process, it's going to sail. There will be public hearings. There will be wrangling because the Commission approved the site plan that will cause the problem on the Embarcadero. She asked the Commission for a 60-day extension and prove to them that the fix isn't in.

Gerry Crowley, immediate past president of Telegraph Hill Dwellers and SF Neighborhood Network, indicated that she was the president for 4 of the last 8 years. She has some comprehensive knowledge of this project. Tonight, she's representing the SF Neighborhood Network founded two years ago to promote good government and good planning. Neighbors in this area have spent an unusual investment of time and energy on this project. As have more recently, neighbors in the groups of the

The first part of the report deals with the general situation of the country and the progress of the work. It is followed by a detailed account of the various projects and the results achieved. The report concludes with a summary of the work done and the prospects for the future.

The second part of the report deals with the financial situation of the country and the progress of the work. It is followed by a detailed account of the various projects and the results achieved. The report concludes with a summary of the work done and the prospects for the future.

The third part of the report deals with the administrative situation of the country and the progress of the work. It is followed by a detailed account of the various projects and the results achieved. The report concludes with a summary of the work done and the prospects for the future.

coalition for San Francisco neighborhoods and the San Francisco Neighborhood Network – on those two umbrella groups, they represent at least 60 neighborhood organizations and they have taken a strong opposition to this project. What they would like is for this project and negotiations to cease. They don't feel that it's worthy of the City & County of San Francisco. This is an incredible piece of real estate which cries out to be a showcase of quality land and water use. They shudder at the thought of implementing a mediocre project which would be the direct result of a long ago phone call from a former mayor to a Port Commissioner. She asked the Commission not to repeat the abomination of the Lucas project at the Presidio's Lombard gate, a monstrosity. She implored the Commission to make the right decision to do what's right for future generations by terminating the ERN. Instead of another 4 years of contention, hearings, litigation, she asked the Commission to start again and give San Francisco a world-class recreation project and listen to the will of the people and not have another Embarcadero Freeway project. They fought the freeway and the freeway went up. 50 years later, it was torn down. She asked not to destroy what we already have.

Aaron Israel, resident and member of Sierra Club, a coalition member of the Citizens to Save the Waterfront, urged the Commission to honor the Waterfront Plan and allow more time to study this project.

Jon Golinger, Citizens to Save the Waterfront, indicated that as the speaker from the YMCA mentioned that this would be a historic decision the Commission might make. It would be a historic mistake by putting the largest waterfront development in San Francisco history in this crucial space. It would generate enormous gridlock affecting the current tenants, neighbors in the area and those around the City. It would be a historic boondoggle. The financial terms, they heard in mind numbing detail earlier today, were released to the public four days ago. As a Port that has been deeply in debt for years, they think this project will lock the Port to a financial boondoggle for the City of San Francisco. As City Auditor Harvey Rose indicated, in its Port audit earlier this year, it would be a mistake for the Port to proceed with this project as is. This is a project for which he strongly believes the Port will have historic regret. By moving this issue forward into the EIR process would not make this project a done deal. By allowing Mills to first base after 3½ years of complex concerns and failures would ensure another several years of battles, political regulatory and legal wrangling. That is something that the Port will not be proud of. Everyone in the Citizens to Save the Waterfront coalition, the neighborhood groups, the Dogpatch and Russian Hill neighbors to Save the Bay, Sierra Club and every business along the waterfront wants the jobs, wants the recreation, wants the money for the City but the Mills is not doing the Port justice. This is a plan that is doomed to failure. It would be a historic error. The voters in approving the 1990 Waterfront Plan called for this to be predominantly recreation project, instead it is a project of 36 retail shops, 11 restaurants and cafes, 10 large private office suits and barely a third of the indoor space devoted to recreation. He asked the Commission to listen to the folks who are not promised funds from the Mills corporation through this project. Every single citizens group, everyone that has taken a position in this issue that is not on the Mills payroll is opposed to this project. He urged the Commission not to lock itself in and take another couple months and look at the new information such as the USS Iowa, the financial terms and not make a

decision they will regret.

Azalia Merrell, 2nd generation native San Franciscan, single mother of three sons and a union Carpenter, indicated that no one paid her to attend this evening. She had to pay someone to watch her children so she can attend this important meeting. She is a working San Franciscan. She knows that there are a good many perceptions of union carpenters. The fact of the matter is that she and her family and many like her who works on the union live and die on the San Francisco economy. This job is committed to 100% union. It will employ persons such as herself who live and work and spend money here and would like to remain in San Francisco, who would like their children to grow up as native San Franciscans. As a mother of three sons, she's continually looking for affordable venues for her children to enjoy the City and look at living in the City as a positive experience. This project has all that as well as permanent retail jobs for others like herself. With regard to the parking issue, as a working San Franciscan, she knows how to take Muni and whenever she brings guests, she encourages them to take public transportation. She would love to see the City encourage that as well.

Jim Salinas, native San Franciscan and representative of Carpenters Union Local 22 indicated that they built this City. They not only live here but work here as well. They are a large part of the local economy. When these projects are supported and moved forward, it benefits the City. When these projects move forward, the most important thing that happens is it impacts communities that have been abandoned through the years such as the Hunter's Point and the Mission District. These projects provide the Building Trades the ability to open up apprenticeship opportunities for young men and women in the hopes that they may be able to accomplish something. He sometimes wonder how he got to where he is, been able to purchase a home and raised four kids. The last two went to two prestigious universities. It's a result of the fact that he got to work at a collective bargain agreement. He works hard to make sure that his children will be in a position to do the same things he did for 22 years working with the tools of the trade. He never had to go more than 10-15 minutes to get to work and earn a living and provide a decent standard of living for his family. He is not happy with the idea that San Franciscans spend a lot of time on the freeways to go to work and earn a living for their families when San Franciscans can work here and impact the City. This project benefits the City overall. He believes that the previous Commission and the current panel certainly did its due diligence as did the Mills Corporation. He asked the Commission's support. He knows that the Commission will ask the hard questions and secure the right answers.

Larry Fenton, Ironworkers Local #377 and San Francisco resident and member of the SF Bicycle Coalition, indicated that all the arguments tonight about traffic concerns and traffic congestion are just a smoking mirrors campaign. All we have to do is look at the ballpark development project as an example. Traffic disaster never happens every time there is a baseball game. That's 50,000 people coming and going in the area, seniors are still able to get to go where they need to go. Bicyclists are still able to get to where they need to go. The Ironworkers union needs the work and are willing to build the project. He asked the Commission to move this project forward.

Supervisor Bierman indicated that there has been lots of question tonight from the public especially about traffic and environmental impacts. She has dealt with these issues for years on the Board of Supervisors and on the Port Commission. Since the beginning of this project, she's made it clear that families in the City need places to take their kids to. She takes her grandkids to the movies a lot but we need other things to make a City vibrant and fun. She testimonies are all valid. We have to find out if this project will or won't work or if there are ways to solve the traffic problems. We have to go through the EIR process. She asked what the next step would be.

Lynda Swanson replied that the EIR will start with a submittal of a full project description called an environmental assessment document written several years ago. It will be rewritten and will be resubmitted. It will reflect what's presented here today. Among the topics that will be reviewed in the EIR specifically pertaining to parking and traffic will include: trip generation (how many trips are going to be generated because of the activities on this site, how many people will be associated with each of those trips, how will they travel to and from the site, by themselves, walking, bicycles, in a bus, in a van, in a car, how many cars will there be stacking up at peak hours of the use of the project in the afternoon weekday and afternoon weekend. How many cars travelling at a particular rate of speed will have to slow their rate of speed at which intersection.) The existing, the current project plus all other known projects and the cumulative growth expected will be examined. They will also look at how many people walk along the Embarcadero whether or not pedestrians encountering other pedestrians are going to be squeezed, whether the cars crossing the Embarcadero will go into the parking garage or the service vehicles will be in conflict with pedestrians. They will look at the conflict between cars and bicycles. They will look at the existing parking and how that compares to the demand that the project will create now and under future scenarios. They will look at Muni will be affected by the number of people riding the bus, the F-line street cars. Those are the questions to which we will be seeking an answer to the EIR process. The next step is to submit an environmental application along with about 15 other topics. Everything from shade and shadow effects, noise, light, biological and geological effects. The reason staff believes it is appropriate to take a step at this time rather than wait a further set of studies that might alter the project description is that an EIR does more than just examine what the impacts are. It examines other alternatives to the projects and whether the alternatives result in a lowered environmental impacts across the categories. It looks at other mitigation measures and other steps that would reduce the environmental effect. All of these findings will come back to the Port and Planning Commissions and the determination is made as to whether this project is feasible as it stands or seek an alternative of this project with mitigation. Unless we start the EIR process, we can't get to that point.

Commissioner Lazarus asked if this will go through the normal Planning Commission EIR process such as scoping, draft, public hearing and then comes back to the Port Commission, just like any developer in San Francisco meeting the EIR certification.

General Counsel Noreen Ambrose clarified that a developer on private property simply goes to the Planning Commission and files an environmental analysis application for their proposed project. Because this project is on public property, the

Port Commission has to agree that it's appropriate to do an analysis of that proposed project. This Commission won't decide whether or not to approve that project until the draft EIR has been published, comments have been received, responded, and the Planning Commission certifies the EIR and appeal to the Board of Supervisors, if any, is taken and heard and the EIR is certified. As you recall with the cruise terminal project, it's brought back to the Commission along with the lease and development agreement assuming that the Port staff and the developer can negotiate that based on the term sheet. Sometime in the future, the Commission will decide after it has the information about the traffic, mitigation measures whether or not to move forward with the project. It's important for everyone to understand what those decision points are and opportunities to participate. There will be many months of opportunity for the public and the Commission to comment from this point forward.

Commissioner Lazarus was concerned that staff is negotiating the lease and development agreement based on the original submission. She asked if the lease and development agreement will be brought back to the Commission simultaneously after the Planning Commission certifies the EIR and will the Commission have an opportunity to review the draft EIR. Ms. Ambrose replied that assuming that the EIR is certified, the Commission couldn't take an action on the lease and the development agreement unless and until they have reviewed a certified EIR and understand the environmental implications of the project. The goal is to bring those documents back to the Commission simultaneously. There is an intermediate point where the draft EIR comes out and the Commission have an understanding of all the impacts to give direction to staff to negotiate further revisions, changes, responses to the information in the draft EIR. It's an iterative process. The Commission will have an opportunity to identify concerns about significant impacts and recommend appropriate mitigation measures. The mitigation measures will be negotiated into the lease.

Commissioner Lazarus asked about the timing and the process for resubmission of the documents with State Lands. Ms. Swanson replied that staff has written a performance benchmark that on or before January 18, 2005, the developer will take the current revised project description and site plan to the SLC staff and explain the changes. Staff estimates they are not material changes. If it is materially changed, staff will inform the Commission. Commissioner Lazarus asked if the submission to the Planning Department awaits the response from SLC. Ms. Swanson replied that it would take about the same time. Staff has had preliminary discussions with SLC staff.

Commissioner Hsu addressed the issue of the planning approval and the EIR process. He explained that the Port Commission is a public landlord, therefore, it has to go through the public process of approving the lease. The action that the Commission is taking today is approval of the financial term of the lease. It does not mean that they can circumvent the planning process approval from the City. Just like a private landlord cannot tell his tenant to just build anything without planning approval and without the normal process of going through the Board of Supervisors should an appeal be filed. He assured the public that this is not the end of the process; it is just the beginning.

Commissioner Bierman indicated that the City lost the Japantown and Haight Street bowling alleys. Kids love to bowl. They learn so much to cheer for each other and learn physically to be able to bowl and get stronger. Having a bowling alley is a wonderful thing for the kids. She hopes that during the EIR process, the bowling alley will be larger in size.

To further clarify the parking and traffic issues, Commissioner Lazarus asked if it's still necessary if the Port decides to undertake the parking and traffic study as part of the EIR process through the Planning department. Ms. Swanson concurred.

Commissioner Hardeman commented that every project the Port undertakes we get a gridlock. When the ballpark was being proposed, they listened to a lot of complaints that no one is going to take the ferries, busses or trains. He went to Baltimore with a friend and drove in on a Sunday night and was able to find parking a couple of blocks away. Next day, they drove in from Washington DC and found parking. He found out a couple of days later that of the 5000 parking spaces they normally have, 2000 were lost because of the new football stadium construction. He was immediately convinced then that our ballpark is going to succeed. As of this day, he does not know if that ballpark was ever filled up with parking. When the Ferry Building was remodeled, people thought that the developers would not get any penny out of this project because there will be no parking. We lost all of the parking spaces along Embarcadero. According to the report issued a couple of months ago, there's plenty of parking available. He does not buy into the parking issue being the killer of this project. Port staff has done a fantastic job. He seldom disagrees with staff when they provide the information because they have opportunities to review them and work things out. During the original selection of the developer, it was a coin toss until the last minute. He couldn't care about Mills, the developer for the ballpark or the developer for the Ferry Building. He cares about what the Port Commission is doing. Mills got the job based on the sailing center and the YMCA. Staff held a different view. When the Commission approved the Mills Corporation, the sailing center, the YMCA and other things changed for the betterment of the project. This project has gotten better. For him to vote against the project now would be ridiculous. He would be a liar. The fix would be in because he would be doing it for reasons that nobody has convinced him. To say that the Commission does not understand the issues is untrue. He personally spends a lot of time reading every document he receives. He takes being a Commissioner very seriously. It's a real honor. He understands the issues and will debate anybody on any issue. The Commission understands and he is prepared to move this project along.

Commissioner Lazarus commented that the only way we're going to get some of the questions answered is to move forward in a public process and obtain the objective analysis of the impacts of the project without it being necessarily a judgment on the final disposition.

ACTION: Commissioner Hardeman moved approval; Commissioner Bierman seconded the motion. All of the Commissioners were in favor; Resolution No. 04-95 was adopted.



- B. Request authorization to increase the contract amount with the consultant team led by Bay Area Economics, Inc. (BAE) for an additional \$112,300 and to execute a fourth amendment for Real Estate Consulting Services for the Piers 27-31 Mixed Use Recreation Project for \$112,300. (Resolution No. 04-96)

Carla Bagneschi, Feasibility Analyst, indicated that BAE has been assisting Port staff on the Piers 27-31 project since the RFP stage. Staff will continue to require BAE services as it continues its negotiations on the revised Development Memorandum, the lease and the lease disposition and development agreement. However, the authorized budget has been completely expended. For this reason, staff is seeking Commission's approval to increase the budget authorization by \$112,300 and to execute a fourth amendment for up to the same amount. Funding for the 4th amendment would be paid in full by the developer. Any unused portion would be returned to the developer. Staff will not execute the amendment until Port staff and the developer reach agreement on the transaction cost which will occur no later than December 14, 2004. Staff believes that the 4th amendment is sufficient to cover the BAE services through the remainder of the project including any necessary subconsultant services. This amendment is preferable to a series of smaller incremental amendments because administering the amendments is a very time and expensive process for Port staff. The amount of contract will be consistent with other real estate consulting contracts for Port development particularly the Bryant Street Pier Cruise Terminal Project. She asked for Commission's approval to increase the authorized contract amount by \$112,300 and to authorize the Port Director to execute a 4th amendment for up to the same amount.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 04-96 was adopted.

9. NEW BUSINESS / AGENDA SETTING

Ms. Moyer indicated that there's only one meeting left this calendar year. Judging from the forward calendar, it's building to be a sizable meeting. The Stanford Hotel project will be brought back to the Commission at that time. She thanked the Commission for approving the first policy she's instituted since her tenure. There's many more on the list that staff is working on. She appreciates the Commission support and patience.

Commissioner Hardeman suggested starting the December 14, 2004 meeting at 2 p.m. All of the Commissioners concurred.

Commissioner Lazarus was pleased that the director is engaging in the policy issues and bringing them to the Commission. She understands that wasn't always necessary the case with other commissions. She asked if the director has put together a list of all the proposed policies and if so, would like the Commission to get a copy. Ms. Moyer replied that it's mostly in her head and it's mostly derived from where there is an issue. Briefly, there are several policies that staff is working on with respect to leasing. Obviously, there are policies already in place that the Commission has approved such as parameter rents. Parameter rents will be coming back to the Commission as the market changes. There will be a policy on waiving permit fees as staff has received a lot of request from non-profit

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
530 SOUTH EAST ASIAN AVENUE
CHICAGO, ILLINOIS 60607-7070
TEL: 773/936-5000 FAX: 773/936-5001

TO: THE CHAIRMAN, THE BOARD OF TRUSTEES, THE PRESIDENT, THE VICE PRESIDENT, THE DEANS, THE DEPARTMENT HEADS, THE FACULTY, THE STUDENTS, THE STAFF, AND THE ALUMNI OF THE UNIVERSITY OF CHICAGO
FROM: THE DEPARTMENT OF CHEMISTRY
SUBJECT: A REPORT ON THE DEPARTMENT OF CHEMISTRY FOR THE YEAR 1999-2000
The Department of Chemistry at the University of Chicago has a long and distinguished history of research and teaching. Over the years, the department has been home to many of the world's leading chemists, and has produced a large number of Nobel laureates. In the past few years, the department has continued to build on its strengths and has made significant contributions to the field of chemistry. This report provides a summary of the department's activities for the year 1999-2000, and highlights some of the key achievements.

The Department of Chemistry at the University of Chicago has a long and distinguished history of research and teaching. Over the years, the department has been home to many of the world's leading chemists, and has produced a large number of Nobel laureates. In the past few years, the department has continued to build on its strengths and has made significant contributions to the field of chemistry. This report provides a summary of the department's activities for the year 1999-2000, and highlights some of the key achievements.

organizations. Staff will put together a more comprehensive list. The policies already on the Commission's agenda seem to be of the greatest need.

Merylin Wong, Historic Ships Memorial @ Pacific Square, stated that at the last Commission meeting, Commissioner Bierman asked about what would be involved in bringing the USS Iowa to San Francisco. A united front would be the most important thing. She provided the Commission the product that they have submitted to the Navy and copied the Port staff in recent years to bring the ship to San Francisco. It includes a formal proposal including a mooring plan, a towing plan, maintenance, educational and visitor program, a curatorial plan, a museum management plan, an environmental assessment plan, a business plan and a security plan. These are the things they have to address in order to meet the minimum initial requirements set forth by the government to bring a ship of this type in San Francisco. The group of people from the Navy who will be making a recommendation as to the final disposition of this ship will be in San Francisco during the week of December 6-10. She hopes to coordinate a meeting with Port staff to discuss bringing the Iowa to the City. They have also invited the Navy's program manager to be a guest speaker at a symposium. She invited Port staff, the Commission and the public to attend the symposium scheduled for Tuesday, December 7 at 6 p.m. at the Hyatt Fisherman's Wharf. They look forward to working with Port staff, Commissioners, any chosen tenants or developer of a pier or piers that is suitable to berth the Iowa. In San Francisco, the Iowa stands to be the most visited ship in history. This is their third and final opportunity to bring a ship of this type to the waterfront. She hopes the Commission will join them in saving this piece of history while making history.

10. PUBLIC COMMENT

11. EXECUTIVE SESSION

- A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

At 6:55 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

- (1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.

This session is closed to any non-City/Port representative. *

- a. Property: Piers 27-31

Person Negotiating: Port: Byron Rhett, Director of Planning & Development

*Piers 27-31 LLC: Steve Jacobsen

This item was taken off the calendar.

- b. Property: Pier 15 and 17 (at Embarcadero)

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
AND
THE MUSEUM OF ART AND ARCHITECTURE
CHICAGO, ILLINOIS
OFFICE OF THE DIRECTOR
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TELEPHONE (312) 937-1234
FAX (312) 937-1235
WWW.MUSEUMOFARTARCHITECTURE.ORG
MUSEUM OF ART AND ARCHITECTURE
CHICAGO, ILLINOIS
OFFICE OF THE DIRECTOR
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TELEPHONE (312) 937-1234
FAX (312) 937-1235
WWW.MUSEUMOFARTARCHITECTURE.ORG

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
AND
THE MUSEUM OF ART AND ARCHITECTURE
CHICAGO, ILLINOIS
OFFICE OF THE DIRECTOR
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TELEPHONE (312) 937-1234
FAX (312) 937-1235
WWW.MUSEUMOFARTARCHITECTURE.ORG
MUSEUM OF ART AND ARCHITECTURE
CHICAGO, ILLINOIS
OFFICE OF THE DIRECTOR
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637
TELEPHONE (312) 937-1234
FAX (312) 937-1235
WWW.MUSEUMOFARTARCHITECTURE.ORG

Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Exploratorium: Dr. Goéry Delacôte
This item was taken off the calendar.

- c. Property: Pier 26
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*International Museum of Women: Chris Yelton, Executive Director
- d. Property: Pier 9
Person Negotiating: Port: Peter Dailey, Director of Maritime
*San Francisco Bar Pilots: Peter McIsaac

12. RECONVENE IN OPEN SESSION

At 8:00 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to adjourn the executive session and reconvene in open session; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

13. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval to adjourn the meeting; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

Commissioner Hsu adjourned the meeting at 8 p.m.

SAN FRANCISCO PORT COMMISSION

Wilfred Hsu, President
Michael Hardeman, Vice President
Kimberly Brandon, Commissioner
Sue Bierman, Commissioner
Ann Lazarus, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

≡ AGENDA

≡ SPECIAL MEETING

2:00 P.M., TUESDAY, DECEMBER 14, 2004

PLEASE NOTE DATE & TIME OF THE MEETING

PORT COMMISSION HEARING ROOM, 2ND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk.

1. CALL TO ORDER / ROLL CALL

2. APPROVAL OF MINUTES - November 9, 2004 Meeting

DOCUMENTS DEPT.

3. EXECUTIVE

DEC 10 2004

A. Executive Director's Report

SAN FRANCISCO
PUBLIC LIBRARY

- Pier 27-31 Development Agreement Update
- Roundtable and Functional Emergency Preparedness Exercise
- Report on Policies under Consideration
- 2003/04 Financial Audit
- 2005/06 Budget Process
- New Year's Eve Party
- Agenda Modification: Communications

12-10-04 P04:40 RCVD

4. MARITIME

A. Informational Presentation regarding Cruise Ship Discharge Report Program.

B. Informational Presentation regarding Cargo Shipping Activities at the Port.

5. ENGINEERING & MAINTENANCE

- A. Request to award Construction Contract No. 2687, "Pier 43 Ferry Arch Improvements," to Power Engineering Contractors. (Resolution No. 04-97)

6. PLANNING & DEVELOPMENT

- A. Request approval of Amendment to Exclusive Right to Negotiate Agreement with International Museum of Women for the development and long-term lease of Pier 26 located on The Embarcadero between Harrison and Bryant. (Resolution No. 04-98)
- B. Request approval of the Work Product Provisions with Stanford Hospitality, Inc. for the Embarcadero Hotel Project at Broadway on Seawall Lots 323, 324 and 322-1. (Resolution No. 04-99)

7. NEW BUSINESS / AGENDA SETTING

- ◆ New Business
- ◆ Agenda Setting (Targeted Commission meeting, subject to change)
 - Informational Presentation regarding the State Legislative agenda and Earmark Request (January 11, 2005)
 - Request approval of Hanson Lease amendment at SWL 352 (January 11, 2005)
 - Request approval of the Terminal Operating Agreement with Marine Terminals Corporation (January 11, 2005)
 - Discussion of Living Classroom at Heron's Head Park (January 11, 2005)
 - Request authorization to issue a Request for Proposals for Habitat Restoration at Heron's Head Park (January 11, 2005)
 - Request to advertise for competitive bids for the Pier 35 Safety, Security and ADA Transition Plan Project (January 11, 2005)
 - Request to advertise for competitive bids for the Jefferson Street Sidewalk Improvement Project (January 11, 2005)
 - Request to award the Pier 80 Security Enhancement TSA Grant 3 Project, Contract No. 2696 (January 11, 2005)
 - Request approval of retroactive rent credits for Allright Parking (January 11, 2005)
 - Request approval to award the parking operation contract at Seawall Lot 314 located on Bay Street at Embarcadero (January 11, 2005)
 - Request approval of lease extension with Blue & Gold Fleet (January 11, 2005)
 - Request approval of the Memorandum of Understanding with the Municipal Transportation Authority for bus assembly and repair at Pier 15 (January 11, 2005)
 - Request approval of Lease No. L-13748 with Architects, Planners and Conservators, Inc. doing business as Architectural Resources Group, for office space located at Pier 9, Suites 107 and 109 (January 11, 2005)
 - Informational Presentation on Surplus Drydock (January 25, 2005)

THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO

THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO
THE UNIVERSITY OF CHICAGO

- Request to award the Pier 47 Under Deck Fire Protection Project, Contract No. 2678 (February 8, 2005)
- Request approval of FY 2005/06 Operating Budget (February 8, 2005)
- Request approval of FY 2005/06 Capital Budget (February 8, 2005)
- Request approval of Historic Vessel Policy (February 22, 2005)
- Request approval of Street Use Program (February 22, 2005)

8. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS. (Discussion and/or Action Items)

a. Discuss existing litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (2 cases):

- Yeun Kiw Low v. City & County of San Francisco, San Francisco Superior Court Case 04-429325.
- Alioto Fish Company, Ltd. v. City & County of San Francisco, San Francisco Port Commission, SF Superior Court Case No. OGC-04-436825.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.

*This session is closed to any non-City/Port representative. **

- a. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Marine Terminals Corporation (MTC): Don Wylie, Executive Vice President

Under Negotiation: Price Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding
real estate negotiations for Port property located at Pier 80.

b. Property: Pier 9

Person Negotiating: Port: Peter Dailey, Director of Maritime

*San Francisco Bar Pilots: Ken Levin

Under Negotiation: Price Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding
real estate negotiations for Port property located at Pier 9.

c. Property: Pier 92

Person Negotiating: Port: Mark Lozovoy, Asst. Deputy Director of Real Estate

*Specialty Crushing: Tom Chasm

Under Negotiation: Price Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding
real estate negotiations for Port property located at Pier 92.

d. Property: Pier 15

Person Negotiating: Port: Byron Rhett, Director of Planning & Development

*Exploratorium: Chris Meany, Developer

Under Negotiation: Price Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding
real estate negotiations for Port property located at Pier 15.

e. Property: Pier 23

Person Negotiating: Port: Monique Moyer, Executive Director

*Pier 23 Café: Flicka McGurkin

Under Negotiation: Price Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding
real estate negotiations and possible action authorizing execution of the lease
for Port property located at Pier 23.

10. RECONVENE IN OPEN SESSION

- A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.
- B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

11. COMMUNICATIONS

Communications received for members of the Port Commission from November 10, 2004 to December 7, 2004:

From Chinatown Community Development Center, appeal to bring to life the new International Hotel Senior Housing.

From Southeast Community Facility Commission, Notice of December 9, 2004 meeting.

From James Fang of Asian Week, supporting the Embarcadero Broadway Hotel project.

From President of Shanghai International Port, invitation to the 24th IAPH World Ports Conference.

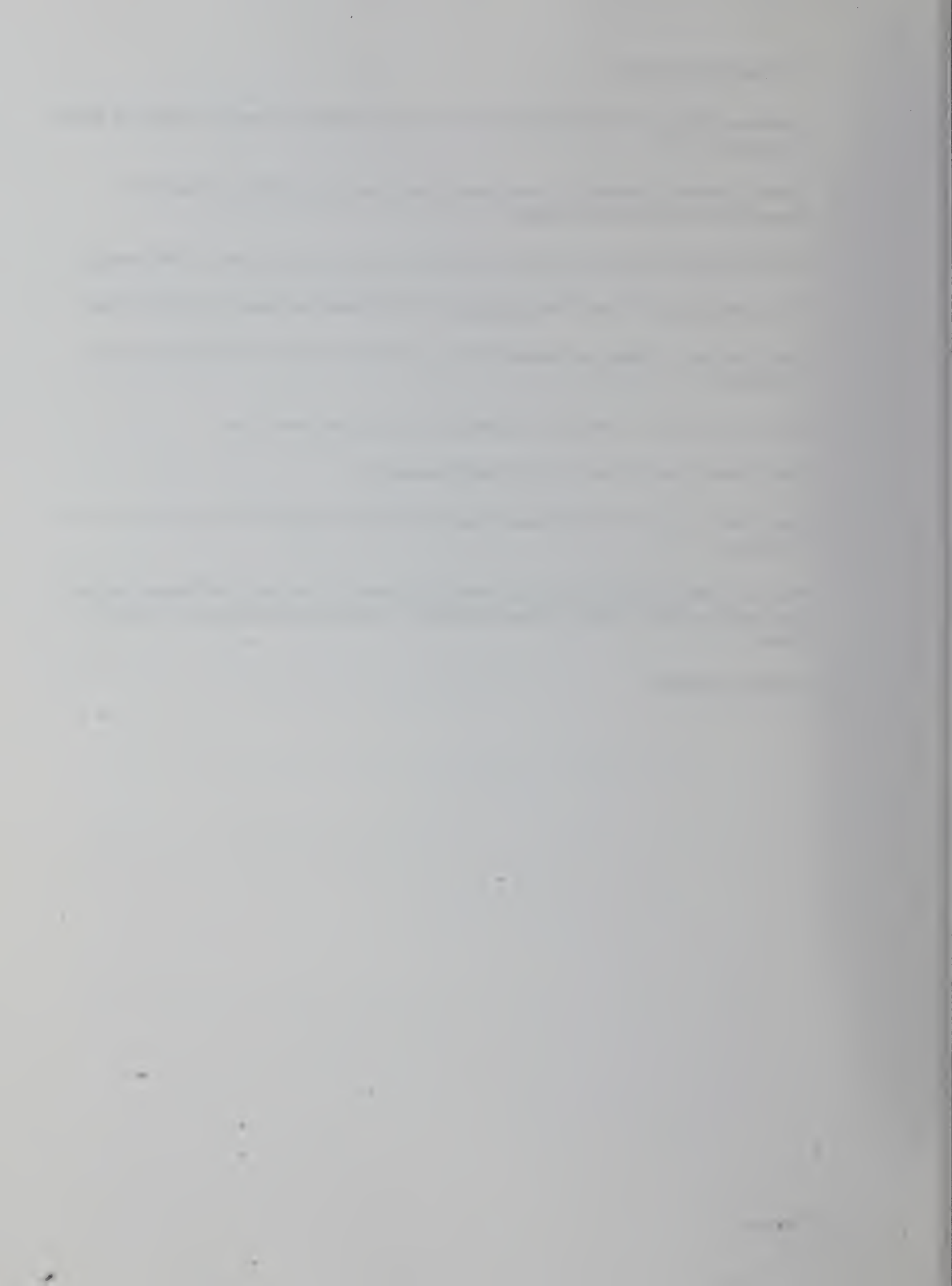
From San Francisco Chamber of Commerce, San Francisco Newsletter.

From Market Street Railway, Inside Track Newsletter.

From San Francisco Building Trades Council, invitation to their 44th Annual Moose Feed Luncheon.

From Port Staff, All Hands on Deck Newsletter, Monthly Sales and Rent Report, Status of Account Receivables, Hood & Strong Financial Statements and Independent Auditor's Report.

12. ADJOURNMENT



DECEMBER 2004/JANUARY 2005
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

<u>Date</u>	<u>Time</u>	<u>Group</u>	<u>Location</u>
December 14	2:00 p.m.	Port Commission	Port Commission Room @ Ferry Building
January 11	3:00 p.m.	Port Commission	Port Commission Room @ Ferry Building
January 25	3:00 p.m.	Port Commission	Port Commission Room @ Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 3:00 p.m., unless otherwise noticed. *The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.* Contact Amy Quesada at 274-0406.

The Cruise Terminal Environmental Advisory Committee generally meets the third week of each month. Date and time to be determined. Contact Michael Nerney at 274-0416.

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Contact Tom Evans, Redevelopment Agency, at 749-2539 or tom.evans@sfgov.org for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 - 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Tom Evans, Redevelopment Agency, at 749-2539 or tom.evans@sfgov.org for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets jointly with BCDC's Design Review Board on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. or the Committee meets as needed on the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

The Port Permit Appeals Committee meets regularly on the first Thursday of June and December of the year. The next regular meeting on December 2, 2004 is postponed until the next regular meeting. For further information contact Ed Byrne at 274-0570 or Dan Hodapp at 274-0625.

THE HISTORY OF THE

REIGN OF KING CHARLES THE FIRST

IN THE YEAR 1649

BY JOHN BURNET

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

LONDON, Printed by J. Sturges, 1724

IN TWO VOLUMES

ACCESSIBLE MEETING INFORMATION

Ferry Building: The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

- A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.
- B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets.
- C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington St., Folsom St. & Drumm St.

Pier 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals. A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact John Scott, Port's ADA Coordinator, at 274-0571. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102, by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org. Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall, the San Francisco Public Library or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at <http://www.sfgov.org/sunshine.htm>

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.



MEMORANDUM

December 7, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner
Hon. Ann Lazarus, Commissioner

FROM: Monique Moyer
Executive Director *M Moyer*

SUBJECT: Informational Presentation on the Cruise Ship Discharge Report (CSDR) Program

**DIRECTOR'S RECOMMENDATION: FOR INFORMATION ONLY; NO ACTION
REQUIRED**

In September 2003, the Port of San Francisco convened the first meeting of the Cruise Terminal Environmental Advisory Committee (CTEAC), an advisory committee to the Port Commission. The purpose of CTEAC is to create an ongoing dialogue between the maritime industry, regulatory agencies, environmental organizations, organized labor, and community groups regarding cruise ship-related water and air quality issues. This committee has met 12 times over the past 14 months.

In November 2003, the Bay Conservation and Development Commission (BCDC) approved a resolution pursuant to the Major Permit for the new cruise terminal project at Pier 30-32. Issuance of the permit is conditioned on a number of items, including that the permit "shall include a provision in all berthing agreements prohibiting all cruise ships using the Pier 30-32 cruise ship terminal from releasing any discharges into the Bay while in transit or at berth, including any treated or untreated solid or liquid wastes, treated or untreated oily bilge, gray water, or sewage" and shall have a provision to deny berth access to cruise ships that repeatedly violate the discharge prohibition.

In April 2004, based on CTEAC recommendations, the Port revised its cruise ship berthing application form for all berthing facilities to include such a provision prohibiting discharges of ballast, wastewater, fuel, and oil-related substances into San Francisco Bay. In addition, each vessel is required to submit a Cruise Ship Discharge Report (CSDR) for each port call. If no unauthorized discharges occur, the form must be submitted to the Port within 30 days of vessel

This Print Covers Calendar Item No. 4A

departure. In the case of an unauthorized discharge, the form must be submitted to the Port within 24 hours of vessel departure. Noncompliance with this provision would result in restriction or prohibition of future berthing rights. Samples of the berthing application and CSDR are attached to this report.

As of January 2005, new state law will prohibit cruise ship wastewater discharge into the coastal waters of California and violators are subject to civil penalties.

There were 70 cruise ship calls at the Port of San Francisco between May and November of this year. Port staff is pleased to advise the Port Commission that all of these vessels complied with the non-discharge provision of the berthing agreement: there were no discharges reported, and the CSDR forms were filed in a timely manner.

Attached to this report is a recap of cruise ship calls since May 2004, including the date, vessel name, verification report was received, whether any discharge occurred, and agent name. This report is available to the public on the Port Internet site, under the Maritime/CTEAC link. Port staff will update this report on a monthly basis and report back to the Port Commission periodically to provide updates on the status of the CSDR program.

Prepared by: Michael Nerney, Maritime Marketing Representative

The findings of this study have several important implications for the company. First, they suggest that the current processes for data collection and analysis are effective, but that there are still areas for improvement. Second, they indicate that the company's financial health is strong, but that there are still risks that need to be managed. Third, they show that the company's stakeholders are satisfied with the current level of transparency and communication. Based on these findings, the following recommendations are made: 1. Continue to improve the data collection and analysis processes. 2. Implement measures to manage financial risks. 3. Increase transparency and communication with stakeholders. The document also includes a list of references and a list of appendices.

<u>No.</u>	<u>Date</u>	<u>Name of Vessel</u>	<u>Report Received?</u>	<u>Discharge?</u>	<u>Agent</u>
1	02-May-04	Volendam	Yes	No	Quay Cruise
2	04-May-04	Oosterdam	Yes	No	Quay Cruise
3	04-May-04	Radiance of the Seas	Yes	No	Quay Cruise
4	05-May-04	Mercury	Yes	No	Quay Cruise
5	05-May-04	Yorktown Clipper	Yes	No	Clipper
6	06-May-04	Coral Princess	Yes	No	Inchcape
7	06-May-04	Regal Princess	Yes	No	Inchcape
8	12-May-04	Norwegian Sky	Yes	No	Quay Cruise
9	14-May-04	Sun Princess	Yes	No	Inchcape
10	16-May-04	Regal Princess	Yes	No	Inchcape
11	17-May-04	Mercury	Yes	No	Quay Cruise
12	21-May-04	Seven Seas Mariner	Yes	No	Inchcape
13	24-May-04	Summit	Yes	No	Quay Cruise
14	25-May-04	Vision of the Seas	Yes	No	Quay Cruise
15	26-May-04	Regal Princess	Yes	No	Inchcape
16	29-May-04	Mercury	Yes	No	Quay Cruise
17	30-May-04	Crystal Harmony	Yes	No	Quay Cruise
18	05-Jun-04	Regal Princess	Yes	No	Inchcape
19	07-Jun-04	Pride of Aloha	Yes	No	Quay Cruise
20	11-Jun-04	Crystal Harmony	Yes	No	Quay Cruise
21	15-Jun-04	Regal Princess	Yes	No	Inchcape
22	18-Jun-04	Pride of Aloha	Yes	No	Quay Cruise
23	23-Jun-04	Crystal Harmony	Yes	No	Quay Cruise
24	25-Jun-04	Regal Princess	Yes	No	Inchcape
25	05-Jul-04	Crystal Harmony	Yes	No	Quay Cruise
26	05-Jul-04	Regal Princess	Yes	No	Inchcape
27	13-Jul-04	Silver Shadow	Yes	No	Inchcape
28	15-Jul-04	Regal Princess	Yes	No	Inchcape
29	17-Jul-04	Crystal Harmony	Yes	No	Quay Cruise
30	25-Jul-04	Regal Princess	Yes	No	Inchcape
31	25-Jul-04	Silver Shadow	Yes	No	Inchcape
32	29-Jul-04	Crystal Harmony	Yes	No	Quay Cruise
33	04-Aug-04	Regal Princess	Yes	No	Inchcape
34	06-Aug-04	Silver Shadow	Yes	No	Inchcape
35	10-Aug-04	Crystal Harmony	Yes	No	Quay Cruise
36	14-Aug-04	Regal Princess	Yes	No	Inchcape
37	22-Aug-04	Crystal Harmony	Yes	No	Quay Cruise
38	24-Aug-04	Regal Princess	Yes	No	Inchcape
39	03-Sep-04	Crystal Harmony	Yes	No	Quay Cruise
40	12-Sep-04	Mercury	Yes	No	Quay Cruise
41	15-Sep-04	Crystal Harmony	Yes	No	Quay Cruise
42	17-Sep-04	Silver Shadow	Yes	No	Inchcape
43	22-Sep-04	Sapphire Princess	Yes	No	Inchcape
44	23-Sep-04	Diamond Princess	Yes	No	Quay Cruise
45	24-Sep-04	Norwegian Star	Yes	No	Quay Cruise
46	24-Sep-04	Mercury	Yes	No	Quay Cruise
47	25-Sep-04	Silver Shadow	Yes	No	Inchcape
48	26-Sep-04	Coral Princess	Yes	No	Inchcape
49	27-Sep-04	Crystal Harmony	Yes	No	Quay Cruise
50	28-Sep-04	Sun Princess	Yes	No	Inchcape

51	29-Sep-04	Norwegian Sun	Yes	No	Quay Cruise
52	29-Sep-04	Summit	Yes	No	Quay Cruise
53	01-Oct-04	Norwegian Spirit	Yes	No	Quay Cruise
54	02-Oct-04	Sapphire Princess	Yes	No	Inchcape
55	02-Oct-04	Volendam	Yes	No	Quay Cruise
56	03-Oct-04	Mercury	Yes	No	Quay Cruise
57	06-Oct-04	Amsterdam	Yes	No	Quay Cruise
58	12-Oct-04	Sapphire Princess	Yes	No	Inchcape
59	13-Oct-04	Mercury	Yes	No	Quay Cruise
60	14-Oct-04	Yorktown Clipper	Yes	No	New World
61	19-Oct-04	Yorktown Clipper	Yes	No	New World
62	22-Oct-04	Sapphire Princess	Yes	No	Inchcape
63	24-Oct-04	Mercury	Yes	No	Quay Cruise
64	24-Oct-04	Yorktown Clipper	Yes	No	New World
65	29-Oct-04	Yorktown Clipper	Yes	No	New World
66	01-Nov-04	Sapphire Princess	Yes	No	Inchcape
67	03-Nov-04	Mercury	Yes	No	Quay Cruise
68	11-Nov-04	Sapphire Princess	Yes	No	Inchcape
69	14-Nov-04	Mercury	Yes	No	Quay Cruise
70	21-Nov-04	Sapphire Princess	Yes	No	Inchcape
	Dec-04	No ships scheduled			

1	1	1	1	1
2	2	2	2	2
3	3	3	3	3
4	4	4	4	4
5	5	5	5	5
6	6	6	6	6
7	7	7	7	7
8	8	8	8	8
9	9	9	9	9
10	10	10	10	10
11	11	11	11	11
12	12	12	12	12
13	13	13	13	13
14	14	14	14	14
15	15	15	15	15
16	16	16	16	16
17	17	17	17	17
18	18	18	18	18
19	19	19	19	19
20	20	20	20	20
21	21	21	21	21
22	22	22	22	22
23	23	23	23	23
24	24	24	24	24
25	25	25	25	25
26	26	26	26	26
27	27	27	27	27
28	28	28	28	28
29	29	29	29	29
30	30	30	30	30
31	31	31	31	31
32	32	32	32	32
33	33	33	33	33
34	34	34	34	34
35	35	35	35	35
36	36	36	36	36
37	37	37	37	37
38	38	38	38	38
39	39	39	39	39
40	40	40	40	40
41	41	41	41	41
42	42	42	42	42
43	43	43	43	43
44	44	44	44	44
45	45	45	45	45
46	46	46	46	46
47	47	47	47	47
48	48	48	48	48
49	49	49	49	49
50	50	50	50	50
51	51	51	51	51
52	52	52	52	52
53	53	53	53	53
54	54	54	54	54
55	55	55	55	55
56	56	56	56	56
57	57	57	57	57
58	58	58	58	58
59	59	59	59	59
60	60	60	60	60
61	61	61	61	61
62	62	62	62	62
63	63	63	63	63
64	64	64	64	64
65	65	65	65	65
66	66	66	66	66
67	67	67	67	67
68	68	68	68	68
69	69	69	69	69
70	70	70	70	70
71	71	71	71	71
72	72	72	72	72
73	73	73	73	73
74	74	74	74	74
75	75	75	75	75
76	76	76	76	76
77	77	77	77	77
78	78	78	78	78
79	79	79	79	79
80	80	80	80	80
81	81	81	81	81
82	82	82	82	82
83	83	83	83	83
84	84	84	84	84
85	85	85	85	85
86	86	86	86	86
87	87	87	87	87
88	88	88	88	88
89	89	89	89	89
90	90	90	90	90
91	91	91	91	91
92	92	92	92	92
93	93	93	93	93
94	94	94	94	94
95	95	95	95	95
96	96	96	96	96
97	97	97	97	97
98	98	98	98	98
99	99	99	99	99
100	100	100	100	100



Chief Wharfinger
Port of San Francisco
Pier 1, The Embarcadero
San Francisco, CA 94111

Phone (415) 274-0400
Fax (415) 274-0528
www.sfport.com

PORT OF SAN FRANCISCO
APPLICATION FOR CRUISE BERTH ASSIGNMENT
(Form Valid until December 31, 2004)

NAME OF VESSEL: _____

DIMENSION: LENGTH: _____ DEPTH OF WATER VESSEL DRAWS: _____

NATIONALITY: _____ DATES VESSEL WILL BERTH: _____ TO: _____

CONDITIONS OF BERTH ASSIGNMENT: By signing below, _____
("Applicant") agrees that it shall comply with all of the terms and conditions of this Application.

1. Compliance with Laws/Tariff. Applicant shall comply with the terms and provisions of this Agreement and with all applicable federal, state and local laws and regulations in its use of the berth assigned hereunder (the "Berth"), including, without limitation, the rules and regulations of the Port Commission and the Port's Schedule No. 4 (the "Tariff"), as amended or replaced from time to time. Applicant acknowledges receipt of a copy of the Tariff and the current schedule of assignment rates.

2. Indemnity. Applicant will indemnify and hold the Port and City of San Francisco, and their agents, officers, directors, contractors and employees (collectively, "Agents"), and the operator of the facility in which the Berth is located (the "Facility") harmless from, and, if requested, shall defend them against any and all claims, direct or vicarious liability, damage, injury or loss, including, without limitation, any injury to or death of any person, including, without limitation, Agents of Applicant, or damage to or destruction of any property occurring in, on or about the Berth or the Facility or any part thereof, arising directly or indirectly out of Applicant's use or occupancy of the Berth or the Facility or the activities and operations therein by Applicant, its Agents, or clients, customers, invitees, guests, members, licensees, assignees and subtenants (collectively, "Invitees").

This indemnity will be enforceable in accordance with its terms regardless of whether liability without fault is imposed or sought to be imposed on the Port or City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on, or validly retroactive to, the date of the vessel's arrival. This indemnity includes all such loss, damage, injury, liability or claims as described above, including, without limitation, loss predicated in whole or in part, upon the active or passive negligence of Port, City or their Agents. This indemnity will exclude claims, liability, damage or loss resulting solely and exclusively from the willful misconduct of Port or City which is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on, Applicant, its Agents or Invitees.

Applicant specifically acknowledges and agrees that it has an immediate and independent obligation to defend the Port and City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent. This obligation to defend shall arise at the time such claim is tendered to Applicant by the Port and/or City and shall continue at all times thereafter.

The foregoing indemnity obligation shall include without limitation, indemnification from all loss and liability, including attorney's fees, court costs and all other litigation expenses. This indemnification shall begin from the first notice that any claim or demand is or may be made. The provisions of this section shall survive the departure of the vessel(s) with respect to any damage, destruction, loss, injury or death occurring prior to such departure and within the scope of the foregoing indemnification provision.

3. Damage to Port Property. Applicant shall pay, on demand of Port, for all damage done to Port's property or facilities by Applicant or Applicant's Agents or Invitees.



PORT OF SAN FRANCISCO
APPLICATION FOR CRUISE BERTH ASSIGNMENT
(continued from previous page)

4. Prohibition on Discharges.
- a. Applicant's vessels are prohibited from releasing into San Francisco Bay incidental or intentional ballast water unless authorized under governing state or federal law.
 - b. Applicant's vessels are prohibited from releasing into San Francisco Bay incidental or intentional discharges of sewage, gray water, hazardous waste, solid waste, fuel, or oil-related substances. This prohibition applies until such time as new California state and/or federal legislation specifically authorizes any such discharge. Discharges from Type II Marine Sanitation Devices are prohibited in the Bay.
 - c. Applicant or their agent shall complete the attached Port of San Francisco Cruise Ship Discharge Report (CSDR) for each vessel call. If no unauthorized discharges occur, the form must be submitted to the Port within 30 days of vessel departure. In the case of an unauthorized discharge, the form must be submitted to the Port within 24 hours of vessel departure.
 - d. Noncompliance with any provision of Section 4 of this Application more than three times in any 24-month period will result in cruise line being restricted or prohibited from future berthing rights at the Port of San Francisco.
5. Taxes and Assessments. Applicant shall pay the proper authority any and all taxes, assessments and similar charges on the Berth in effect at the time this Application is executed, or which become effective thereafter, including all taxes levied or assessed upon the possession, use or occupancy, as distinguished from the ownership to the of the Berth. Applicant, on behalf of itself and any permitted successors and assigns, recognizes and understands that this Application may create a possessory interest subject to property taxation and that Applicant may be subject to the payment of such taxes.
6. Payment of Fees. Applicant guarantees the payment of all charges and fees associated with the berthing of the above-mentioned vessels in accordance with the Tariff.
7. Authority. The undersigned represents and warrants that he or she has the requisite power and authority to execute and deliver this Berthing Agreement and to bind Applicant to carry out and perform all of the terms and covenants of this Berthing Agreement.

Applicant Name: _____ Phone: _____

Address: _____ Fax: _____

City, State, Zip: _____ Email: _____

Country (if outside US): _____ Web: _____

Submitted and Agreed by:

Signature of Applicant: _____ Name: _____

Title: _____ Date: _____

(To Be Completed by Chief Wharfinger)

Application Received: _____ Assignment Made Effective: _____

Pier Assigned: _____ Chief Wharfinger (signed): _____

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
RESEARCH REPORT

1. The first part of the report describes the experimental methods used in the study. The second part presents the results of the experiments, which show that the reaction rate is significantly affected by the concentration of the reactants. The third part discusses the theoretical aspects of the reaction, including the proposed mechanism and the transition state. The fourth part compares the experimental results with the theoretical predictions, showing a good agreement between the two. The fifth part concludes the report by summarizing the main findings and suggesting further research.

2. The experimental methods used in this study were designed to measure the reaction rate under various conditions. The reactants were prepared by standard methods, and their concentrations were carefully controlled. The reaction was initiated by adding a catalyst, and the progress was monitored by measuring the change in the concentration of the products over time. The results of the experiments are presented in Table I, which shows that the reaction rate increases with increasing concentration of the reactants.

3. The theoretical aspects of the reaction were studied using the transition state theory. The proposed mechanism for the reaction involves the formation of a transition state, which is a high-energy intermediate. The energy of the transition state was calculated using the method of molecular orbital theory, and the results are compared with the experimental data.

4. The experimental results are compared with the theoretical predictions, showing a good agreement between the two. This suggests that the proposed mechanism is correct, and the transition state theory provides a good description of the reaction. The results also show that the reaction is first-order with respect to the concentration of the reactants, which is consistent with the proposed mechanism.

5. The main findings of the study are summarized in the following points: (a) The reaction rate is significantly affected by the concentration of the reactants. (b) The proposed mechanism for the reaction involves the formation of a transition state. (c) The energy of the transition state was calculated using the method of molecular orbital theory. (d) The experimental results are in good agreement with the theoretical predictions.

6. Further research is suggested, including the study of the effect of temperature on the reaction rate, and the investigation of the role of the catalyst in the reaction. It is also suggested that the results of this study be compared with those of other studies on similar reactions.

7. The following table shows the reaction rate as a function of the concentration of the reactants. The data are taken from Table I of the report.

8. The reaction rate is calculated using the equation: $k = \frac{1}{t} \ln \frac{[A]_0}{[A]}$, where k is the rate constant, t is the time, $[A]_0$ is the initial concentration of the reactant, and $[A]$ is the concentration of the reactant at time t .

9. The energy of the transition state was calculated using the method of molecular orbital theory. The results are presented in Table II of the report.

10. The proposed mechanism for the reaction is shown in the following diagram:

11. The reaction is first-order with respect to the concentration of the reactants, which is consistent with the proposed mechanism.

12. The results of this study are in good agreement with those of other studies on similar reactions.



Cruise Ship Discharge Report

Ship's Name: _____
Ship's Line: _____

Ship's Agent: _____
Date(s) at Berth: _____
Berth Used: _____

Discharge or Spill Information

Type of Spill or Discharge:

☐ NONE ☐ Ballast Water ☐ Graywater ☐ Blackwater ☐ Oil or Fuel ☐ Other

Date of Event: _____
Time of Event: _____

Location of Event: _____
Quantity Discharged: _____

Response Action Taken:

--

Cause of Discharge:

--

Agencies Notified:

--

Additional Comments:

--

Signature: _____
Printed Name: _____
Representing: _____
Date Signed: _____

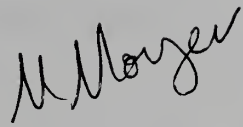




MEMORANDUM

December 8, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon, Commissioner
Hon. Sue Bierman, Commissioner
Hon. Ann Lazarus, Commissioner

FROM: Monique A. Moyer, Executive Director 

SUBJECT: Informational Presentation – Cargo Shipping Activities

DIRECTOR'S RECOMMENDATION: No Action Required

The Port operates in the container, break bulk and bulk cargo shipping markets. Pier 80 is a 60-acre general (container and break bulk) cargo terminal, operated by Marine Terminals Corporation, and Pier 92 and Pier 94 are bulk cargo facilities.

The Port has maintained a small volume of container shipping over the past ten years. The Port's peninsula location, combined with inadequate intermodal connections, limited water depth and crane capacity are factors that have made large-scale container operations difficult to sustain. The marketing strategy had been to target smaller container lines that do not require intermodal rail services and whose vessels do not need over 38' draft and larger cranes. The Port offered them economic incentives and service levels that they would not be able to obtain in a larger container port. This strategy was successful and container volumes grew from 10,800 in 1998 to over 24,500 in 2000.

In 2001 and 2002, the Port of Oakland opened two new mega-container terminals with a combined total of 250 acres. The opening of these two terminals put further pressure on the Port of San Francisco's market position. Soon thereafter, three container lines moved to the Port of Oakland to gain access to rail services not available in San Francisco.

The loss of these three customers, combined with a post 9/11 economic slowdown, resulted in the remaining container lines' volumes decreasing while the Port's operating expenses were increasing. From 2002-2004, the Port experienced significant operating losses at Pier 80. Faced with a continuing operating subsidy, earlier this year the Port asked the five remaining container lines to increase their throughput at the terminal or they would face higher port charges.

THIS PRINT COVERS CALENDAR ITEM NO. 4B



THE UNIVERSITY OF CHICAGO

LIBRARY

1100 EAST 58TH STREET

CHICAGO, ILL. 60637

TEL: 773-936-5000

FAX: 773-936-5000

WWW.CHICAGO.EDU

1999

1998

1997

1996

1995

1994

1993

1992

1991

1990

1989

1988

1987

1986

1985

1984

1983

1982

1981

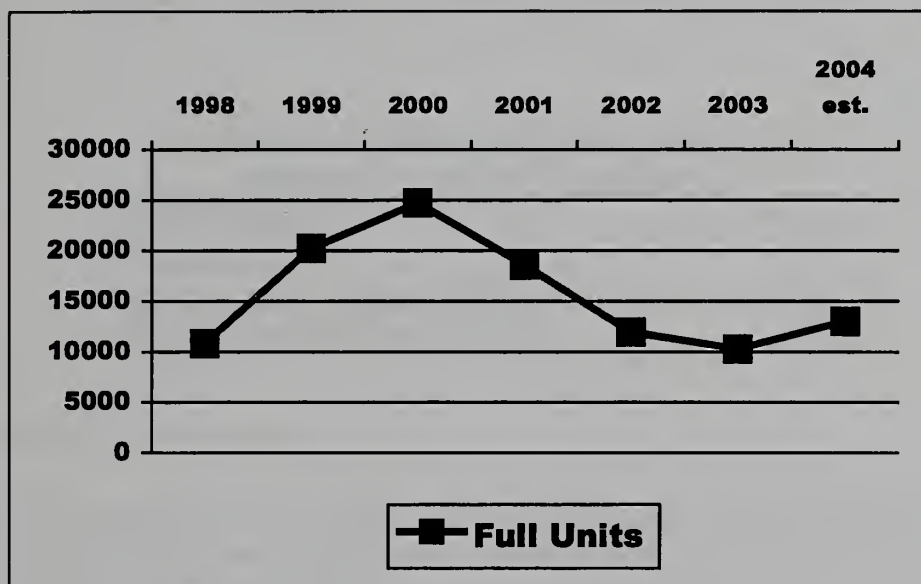
1980

1979

1978

These negotiations did not result in any increase in volume or any agreement to pay higher port charges to offset our significant operating deficits. The carriers were not willing to pay the increased port fees that the Pier 80 facility needed to break even and decided to move to the Port of Oakland by the end of the year. The carriers already maintain cargo space at the Port of Oakland and have said they would be able to consolidate their services in Oakland. They believe that Oakland offers them greater economies of scale. In 2004 Oakland will handle over of 1,900,000 containers; last year San Francisco handled 13,000. The expense associated with operating a full-scale container terminal with only 13,000 containers cannot be sustained at current rate levels.

Historical Container Data at Pier 80



As of January 1, 2005, the container carriers will have completely moved out of Pier 80. The terminal, however, will remain open as a break bulk cargo facility.

BREAK BULK/NEO BULK CARGO AT PIER 80

Break bulk or neo bulk cargo is general, non-containerized cargo, such as automobiles, steel, lumber, and newsprint.

The Port of San Francisco competed for break bulk cargoes with the Port of Oakland and Richmond, and to some extent the valley ports of Sacramento and Stockton. In 2002, the Port of Oakland lost their lease to their last break bulk cargo terminal (Burma Road Terminal). Many of the shippers that utilized that facility began to look for other terminals. With aggressive marketing, the Port of San Francisco was able to obtain the majority of the Bay Area's break bulk cargo business. In 2003 the Port increased its market share by 40% and this year fully expects to move in excess of 220,000 metric tons, a 100% increase over 2003.

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.



The second part of the report deals with the specific details of the country's development. It is a very detailed and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.

The third part of the report deals with the future of the country. It is a very interesting and informative study of the country's future. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's future.

Oakland does not compete in the break bulk market. Analysis shows that break bulk cargoes will provide the Port with the opportunity to continue operations at Pier 80 and once again operate this terminal at a profitable level. Operating as a break bulk terminal will allow the Port and Marine Terminals Corporation to significantly reduce manning, security and utility costs.

Break Bulk Tonnage Figures for Calendar Year 1999 through 2004

	<i>CY 1999</i>	<i>CY 2000</i>	<i>CY 2001</i>	<i>CY 2002</i>	<i>CY 2003</i>	<i>CY 2004 estimated</i>
<i>Total</i>	13,000	15,000	5,000	69,000	98,000	220,000

**Breakdown of 2004 Break Bulk By Commodity
(Based on percentage of total cargo):**

Steel Products	81%
Newsprint	7%
Lumber and wood products	9%
Machinery and Project Cargo	3%

BULK CARGO AT PIERS 92/94

Recognizing the potential of the dry bulk cargo market, in 2001 the Port established the Hanson Aggregates terminal at Pier 94. Dry bulk cargo is the Port of San Francisco's largest cargo type. Four different port tenants move dry bulk through facilities located at Pier 92 and Pier 94. Sand reclaimed from San Francisco Bay or imported from Canada is discharged and processed through Pier 92 by both Hanson Aggregates and Mission Valley/Bode. Pacific Cement and RMC will open new facilities in the near future. Aggregate (crushed rock of various sizes and types) is imported by Hanson Aggregates, which operates the bulk shipping terminal at Pier 94. Hanson Aggregates, with its two facilities, was the second largest revenue-producing Port tenant in 2003/04 generating \$1.8 million. Dry bulk cargo is projected as the largest cargo growth opportunity.

The first part of the report deals with the general situation of the country and the progress of the work. It is followed by a detailed account of the various projects and the results achieved. The report concludes with a summary of the work done and the prospects for the future.

Summary of the work done during the year

The work done during the year has been very satisfactory. The various projects have been carried out in accordance with the programme of work and the results have been very good. The progress made during the year has been as follows:

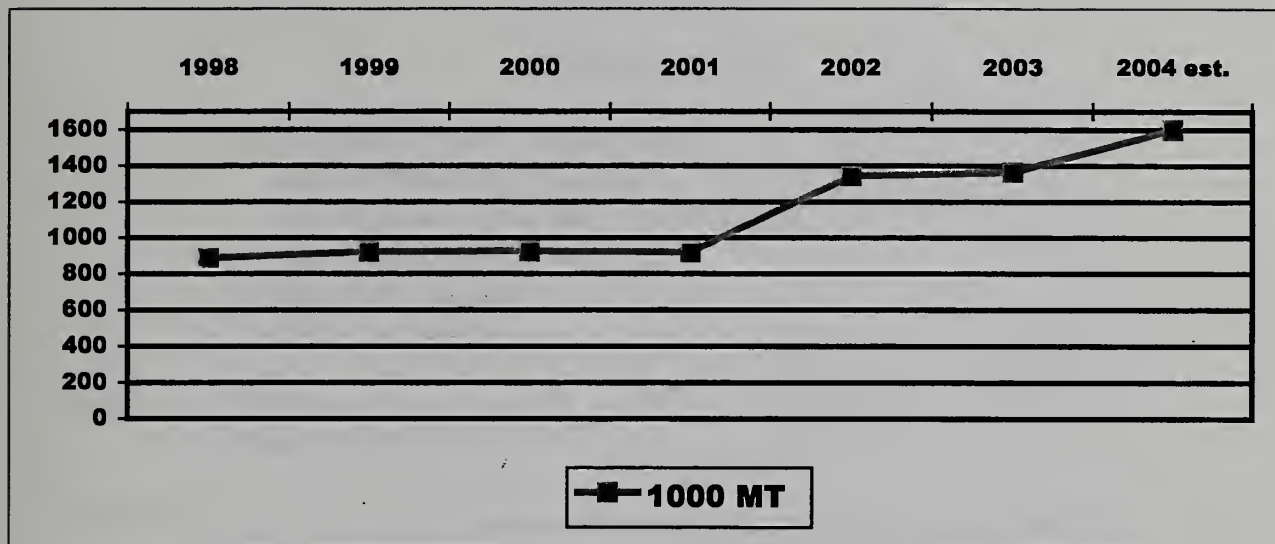
Progress made during the year

Project	Progress made
Project A	Completed 80%
Project B	Completed 60%
Project C	Completed 40%
Project D	Completed 20%

Conclusions and prospects for the future

The work done during the year has been very satisfactory. The various projects have been carried out in accordance with the programme of work and the results have been very good. The progress made during the year has been as follows: The work done during the year has been very satisfactory. The various projects have been carried out in accordance with the programme of work and the results have been very good. The progress made during the year has been as follows:

Sand/Aggregates – Pier 92 and Pier 94



FUTURE COMMERCIAL OPPORTUNITIES

As the Port enters 2005 it will be looking at all avenues to increase commodities, volumes and revenues in both the break bulk and bulk cargo markets. The Illinois Street Rail Bridge, when completed, will provide a valuable resource to market to new customers. With an on-dock rail connection at Pier 80 and the continued congestion expected in Southern California ports, the Port believes there will be opportunities to generate additional break bulk cargo destined to inland points in Southern California. These actions do not preclude future container operations at the Port. In the future, as Oakland continues to benefit from the growth in imported cargo and the overflow from Southern California ports, there may be opportunities for the Port of San Francisco to once again participate in the container markets.

Prepared by: Jill Simpson, Maritime Marketing Manager

REPORT ON THE PROGRESS OF THE WORK

DATE	NAME	AGE	SEX	RELATION	EDUCATION	RELIGION	PROFESSION	RESIDENCE	STATUS
1890	John	25	M	Head	High School	Protestant	Teacher	New York	Single
1891	Mary	22	F	Wife	High School	Catholic	Homemaker	New York	Married
1892	Robert	18	M	Son	High School	Protestant	Student	New York	Single
1893	Elizabeth	15	F	Daughter	High School	Catholic	Student	New York	Single
1894	William	12	M	Son	High School	Protestant	Student	New York	Single
1895	Anna	10	F	Daughter	High School	Catholic	Student	New York	Single
1896	Charles	8	M	Son	High School	Protestant	Student	New York	Single
1897	Frances	6	F	Daughter	High School	Catholic	Student	New York	Single
1898	Thomas	4	M	Son	High School	Protestant	Student	New York	Single
1899	Elizabeth	2	F	Daughter	High School	Catholic	Student	New York	Single

APPENDIX

TABLE I. -

TABLE II. -

NAME	AGE	SEX	RELATION	EDUCATION	RELIGION	PROFESSION	RESIDENCE	STATUS
John	25	M	Head	High School	Protestant	Teacher	New York	Single
Mary	22	F	Wife	High School	Catholic	Homemaker	New York	Married
Robert	18	M	Son	High School	Protestant	Student	New York	Single
Elizabeth	15	F	Daughter	High School	Catholic	Student	New York	Single
William	12	M	Son	High School	Protestant	Student	New York	Single
Anna	10	F	Daughter	High School	Catholic	Student	New York	Single
Charles	8	M	Son	High School	Protestant	Student	New York	Single
Frances	6	F	Daughter	High School	Catholic	Student	New York	Single
Thomas	4	M	Son	High School	Protestant	Student	New York	Single
Elizabeth	2	F	Daughter	High School	Catholic	Student	New York	Single

17

TABLE III. -



MEMORANDUM

December 7, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer *Monique Moyer*
Executive Director

SUBJECT: Request for Authorization to Award Construction Contract No. 2687, "Pier 43 Ferry Arch Improvements," to Power Engineering Contractors, Inc., the lowest responsive, responsible bidder in the amount of \$721,900.

DIRECTOR'S RECOMMENDATION: AUTHORIZE PORT STAFF TO AWARD CONSTRUCTION CONTRACT NO. 2687, "PIER 43 FERRY ARCH IMPROVEMENTS," TO POWER ENGINEERING CONTRACTORS, INC. IN THE AMOUNT OF \$721,900.

Introduction:

Port staff requests that the Commission authorize the award of construction Contract No. 2687, "Pier 43 Ferry Arch Improvements," to Power Engineering Contractors, Inc., the lowest responsive, responsible bidder in the amount of \$721,900. The scope of this contract includes repairing the existing concrete piles and steel beams under the arch structure, and repairing and/or replacing specific wood piles supporting the wood deck adjacent to the arch structure.

Background:

On June 8, 2004, the San Francisco Port Commission authorized staff to advertise for competitive bids for this project when project funds totaled only \$300,000. On August 6, 2004, the Port received three bids, each of which exceeded the available project funding. After review of all bids, the Port rejected all bids for lack of sufficient funding. Port staff then restructured the contract bid items in such manner so as to ensure adequate funding for at least the base bid portion of the contract. Port staff also secured additional funds for the project and re-bid the project in October, 2004. Thereafter, on November 2, 2004, the Port received two bids and the Human Rights Commission deemed Power Engineering Contractors Inc., to be the lowest responsive, responsible bidder, which satisfies the HRC Disadvantaged Business Enterprise (DBE) subcontracting goal of 16.5%.

This Print Covers Calendar Item No. 5A



THE

OF

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

THE

A summary of all the bids is attached.

Funding: The project funding is itemized below:

Federal Highway Administration (FHA),	
Transportation Enhancement Activities Grant	\$255,000
*Port Capital Funds (CPO741, Pier Repair Fund)	<u>\$466,900</u>
TOTAL	\$721,900

*Port Capital Funds (CPO741) will also fund contingency as required.

Summary:

Port staff recommends that the Commission authorize the award of the Contract No. 2687 to Power Engineering Contractors, Inc. as the lowest responsive, responsible bidder, in the amount of \$721,900, and further authorize staff to increase the contract sum by 10% (or \$72,190) through change order or modification, *if needed*, for unanticipated contingencies, for a total amount of \$794,090. Staff also recommends that the Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Joe Roger
Project Engineer

For: Ed Byrne
Acting Chief Harbor Engineer



**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 04-97

- WHEREAS, On June 8, 2004, Port Commission authorized staff to advertise Contract 2687, Pier 43 Ferry Arch Improvements for competitive bids; and
- WHEREAS, On August 6, 2004, Port staff received three bids, each of which exceeded available project funding, and, therefore, requiring Port staff to reject all bids; and
- WHEREAS, Port staff restructured the contract bid items, secured additional funding, and re-bid the project in October, 2004; and
- WHEREAS, In response to the re-bid, on November 2, 2004, Port staff received two bids for the project; and
- WHEREAS, Port staff and the Human Rights Commission staff reviewed the bids and have determined that Power Engineering Contractors, Inc. is the lowest responsive, responsible bidder with a total bid price of \$721,900; and
- WHEREAS, The project total bid price (\$721,900) plus a 10% contingency (\$72,190), *if needed*, will be fully funded from Port capital funds and from the Federal Highway Administration grant; now therefore be it,
- RESOLVED, the Port Commission hereby authorizes staff to award construction Contract No. 2687, Pier 43 Ferry Arch Improvements, to Power Engineering Contractors, Inc., for the amount of \$721,900, and be it further
- RESOLVED, the Port Commission authorizes Port staff to increase the contract amount, as necessary, for unanticipated contingencies, by an additional \$72,190 (10% of \$721,900) through contract modification(s) or change order(s); and be it further
- RESOLVED, that the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of December 14, 2004.

Secretary

2000

January

Date		Description		Amount	
1/1		Balance		100.00	
1/2		Deposit		50.00	
1/3		Withdrawal		20.00	
1/4		Deposit		30.00	
1/5		Withdrawal		10.00	
1/6		Deposit		40.00	
1/7		Withdrawal		15.00	
1/8		Deposit		25.00	
1/9		Withdrawal		5.00	
1/10		Deposit		15.00	
1/11		Withdrawal		10.00	
1/12		Deposit		35.00	
1/13		Withdrawal		25.00	
1/14		Deposit		45.00	
1/15		Withdrawal		30.00	
1/16		Deposit		55.00	
1/17		Withdrawal		40.00	
1/18		Deposit		65.00	
1/19		Withdrawal		50.00	
1/20		Deposit		75.00	
1/21		Withdrawal		60.00	
1/22		Deposit		85.00	
1/23		Withdrawal		70.00	
1/24		Deposit		95.00	
1/25		Withdrawal		80.00	
1/26		Deposit		105.00	
1/27		Withdrawal		90.00	
1/28		Deposit		115.00	
1/29		Withdrawal		100.00	
1/30		Deposit		125.00	
1/31		Balance		150.00	

BID SUMMARY

Contract No.: 2687

Project: Pier 43 Ferry Arch Improvements

DATE: November 3, 2004

Bid Item	DESCRIPTION	QUANTITY	UNIT	Valentine Corp. SR, CA		Power Engineering SF, CA	
				Unit Price	Amount	Unit Price	Amount
1	Furnish and install arch lighting		LS		\$50,629.00		\$18,000.00
2.1	Type 4 repair to (E) concrete piles	78	LF	\$930	\$72,540.00	\$1,300	\$101,400.00
2.2	Type 1 repair to (E) concret piles	96	LF	\$1,200	\$115,200.00	\$750	\$72,000.00
	Total Bid Item No. 2				\$187,740.00		\$173,400.00
3	Allowance for mobilization		LS		\$15,000.00		\$15,000.00
Total Base Bid					\$253,369.00		\$206,400.00

Alternate bid items based on descending order of priority

Bid Item	DESCRIPTION	QUANTITY	UNIT	Valentine Corp. SF, CA		Power Engineering SF, CA	
				Unit Price	Amount	Unit Price	Amount
A2	Repair of (E) Steel Frmg.		LS		\$32,150.00		\$80,000
A9	Repair of (E) deck substr. piles column lines 70-72	9	EA	\$12,600	\$113,400.00	\$9,800	\$88,200
A8	Repair of (E) deck substr. piles column lines 67-69	8	EA	\$12,600	\$100,800.00	\$9,800	\$78,400
A7	Repair of (E) deck substr. piles column lines 64-66	7	EA	\$12,600	\$88,200.00	\$9,800	\$68,600
A6	Repair of (E) deck substr. piles column lines 60-63	9	EA	\$12,600	\$113,400.00	\$9,800	\$88,200
A5	Wrap (E) deck substr. piles column lines 66-69	7	EA	\$2,000	\$14,000.00	\$2,450	\$17,150
A4	Wrap (E) deck substr. piles column lines 62-65	5	EA	\$2,000	\$10,000.00	\$2,450	\$12,250
A3	Wrap (E) deck substr. piles column lines 55-61	6	EA	\$2,000	\$12,000.00	\$2,450	\$14,700
A1	Install (N) steel piles and steel frmg.		LS		\$132,000		\$68,000
TOTAL ALTERNATE BID ITEMS					\$615,950.00		\$515,500.00

Total Base Bid Plus Alternate Bid Items

Total Base Bid				\$253,369.00	\$206,400.00
TOTAL BASE BID PLUS ALTERNATE BID ITEMS				\$869,319.00	\$721,900.00

Prepared By: Joe Roger, 11/03/04

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
RESEARCH REPORT NO. 1000
1960

Sample No.	Concn. (g./100 ml.)	Viscosity (poise)	Flow Time (sec.)
1	0.5	0.012	1.2
2	1.0	0.024	2.4
3	1.5	0.036	3.6
4	2.0	0.048	4.8
5	2.5	0.060	6.0
6	3.0	0.072	7.2
7	3.5	0.084	8.4
8	4.0	0.096	9.6
9	4.5	0.108	10.8
10	5.0	0.120	12.0

Table I. Viscosity data for various concentrations of the polymer.

Sample No.	Concn. (g./100 ml.)	Viscosity (poise)	Flow Time (sec.)
11	0.5	0.012	1.2
12	1.0	0.024	2.4
13	1.5	0.036	3.6
14	2.0	0.048	4.8
15	2.5	0.060	6.0
16	3.0	0.072	7.2
17	3.5	0.084	8.4
18	4.0	0.096	9.6
19	4.5	0.108	10.8
20	5.0	0.120	12.0

Table II. Viscosity data for various concentrations of the polymer.

Sample No.	Concn. (g./100 ml.)	Viscosity (poise)	Flow Time (sec.)
21	0.5	0.012	1.2
22	1.0	0.024	2.4
23	1.5	0.036	3.6
24	2.0	0.048	4.8
25	2.5	0.060	6.0
26	3.0	0.072	7.2
27	3.5	0.084	8.4
28	4.0	0.096	9.6
29	4.5	0.108	10.8
30	5.0	0.120	12.0

Table III. Viscosity data for various concentrations of the polymer.

Sample No.	Concn. (g./100 ml.)	Viscosity (poise)	Flow Time (sec.)
31	0.5	0.012	1.2
32	1.0	0.024	2.4
33	1.5	0.036	3.6
34	2.0	0.048	4.8
35	2.5	0.060	6.0
36	3.0	0.072	7.2
37	3.5	0.084	8.4
38	4.0	0.096	9.6
39	4.5	0.108	10.8
40	5.0	0.120	12.0

Table IV. Viscosity data for various concentrations of the polymer.



MEMORANDUM

December 7, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director. *M Moyer*

SUBJECT: Approval of Amendment to Exclusive Right to Negotiate Agreement with International Museum of Women for the development and long-term lease of Pier 26 located on The Embarcadero between Harrison and Bryant Streets.

DIRECTOR'S RECOMMENDATION: Approve Amendment to Exclusive Right to Negotiate Agreement with the International Museum of Women for Pier 26.

I. Background

Pier 26 is an approximately 157,000 square foot finger pier located directly beneath the Bay Bridge between Harrison and Bryant Streets on The Embarcadero, including a 121,000 square foot historic pier shed and bulkhead building. Currently, the Port leases space at Pier 26 to a number of small tenants (e.g. 50 SF to 8,200 SF) on a short-term basis, primarily for warehousing uses. Approximately one-third of the pier is leased to maritime businesses.

In February 2002, The International Museum of Women ("IMOW") submitted a proposal to the Port for the long-term development and lease of Pier 26 for the purpose of developing a new museum. On March 25, 2003, after the Board of Supervisors exempted the potential lease of Pier 26 from the City's competitive bidding policy, the Port Commission by Resolution 03-26 authorized Port staff to negotiate an Exclusive Right to Negotiate ("ERN") on a sole-source basis. On June 24, 2003, the Port Commission approved a two-year ERN with IMOW by Resolution 03-42 that expires on June 24, 2005. The ERN also includes an option to extend the Original Term by 12-months, from June 24, 2005 to June 24, 2006 provided the IMOW gives written notice to the Port within the last 6-months of the term and provided that IMOW is not in default under the ERN.

This Print Covers Calendar Item No. 6A

1870

1871

1872

1873

1874

1875

1876

1877

1878

1879

1880

1881

1882

1883

1884

1885

1886

1887

1888

1889

1890

1891

1892

1893

1894

1895

1896

1897

1898

1899

1900

Performance Benchmark #2 in the ERN calls for preparation and submittal of a revised development program and conceptual plan that meets the parameters of the ERN Term Sheet, including updated development cost estimates and cash flow projections. In February 2004, the Port Commission authorized the Executive Director to amend the ERN to extend the deadline for completing Performance Benchmark #2 by six-months to August 1, 2004. IMOW undertook due diligence investigations of the site and submitted a revised Development Program for the Port staff review on July 30, 2004. In the course of its due diligence activities, IMOW identified significant unanticipated costs associated with its proposed use of Pier 26. IMOW estimates a total project cost of \$138 million of which approximately \$20 million is for pier repairs and substructure refurbishment primarily for seismic upgrades required by the Building Code as a result of the change in use of the pier.

II. Proposed ERN Amendment

IMOW has requested an extension of time to analyze alternatives to the proposed plans, resolve cost issues, work with the Port to identify potential revisions to the development program that are satisfactory to the Port and IMOW, and submit a revised development program, updated cost estimates and cash flow projections as generally described in Performance Benchmark #2. Port staff concurs with IMOW that it should be given additional time to perform the noted tasks and to prepare and submit a "Revised Project Proposal" as more fully described in ERN Exhibit A and ERN Exhibit C attached hereto. Port staff proposes that a 4-month extension be given at this time for IMOW to prepare and the Port to review and consider a Revised Project Proposal. In consideration for the extension, Port staff recommends the following additional amendments to the ERN:

1) Revised Performance Benchmarks

- a) Amend Performance Benchmark #2 to: i) provide greater specificity regarding the information and materials to be included in the Revised Project Proposal; and ii) extend the deadline to July 29, 2005; and
- b) Add additional Performance Benchmarks for delivery to Port of any additional engineering reports or other due diligence studies of the Premises and for early Staff review of a museum operations plan.

The Revised Performance Benchmarks are presented in ERN Exhibit A attached hereto. Submittal requirements for the Revised Project Proposal are described in ERN Exhibit C attached hereto.

- 2) Early review of revised Project plans. IMOW agrees to meet at least monthly with the Port and its consultants to discuss progress on Performance Benchmark requirements and to review drafts of project plans and other material as appropriate.
- 3) Fees for Port consultant expenses. IMOW pay fees to the Port for consultant expenses incurred by the Port for review and evaluation of the Revised Project Proposal to a maximum of \$50,000. The Port will select a team of consultants, as needed, to conduct this review and evaluation through a request for proposal process or from consultants who have been

qualified through a prior competitive process. Based upon past experience with similar consultant contracts, the consultant fees are expected to be less than \$50,000.

- 4) Port review and endorsement. The Port Commission will review and consider for endorsement the Revised Project Proposal prior to the ERN Termination date.
- 5) Revised ERN Termination Date. In order to provide sufficient time for the Port and its consultant team to review the Revised Project Proposal and for the Port Commission to consider its endorsement, the ERN termination date will be extended from June 24, 2005 to October 31, 2005.
- 6) Option to Extend Original Term. The option to extend the Original Term is deleted. Instead, the Port Commission will consider any request for an extension of the ERN Original Term that is submitted by IMOW when it considers endorsement of the Revised Project Proposal. However, the Port Commission has no obligation to extend the ERN termination date past October 31, 2005.
- 7) Technical correction. Modify ERN Term Sheet Exhibit B to: a) include the total square footage of the Pier 26 of approximately 157,000 square feet with an existing pier shed of approximately 122,000 square feet in the "Premises" provision; and b) delete reference to the ERN term in the "Exclusive Negotiation" provision.

III. Basis for Recommended Terms and Conditions for ERN Amendment

The Revised Project Proposal is an important milestone for the Pier 26 ERN process and should reveal new information about the Project that was not available at the beginning of the ERN term.

When the Port and IMOW entered into the ERN, IMOW had not selected its architectural or exhibit design team and, as a result, provided the Port with only a preliminary development concept and financial analysis of the museum operation. The ERN provided time for IMOW to prepare a development program and design scheme reflecting greater knowledge of the site, the museum concept and operational requirements, and the specific uses and design concepts proposed for redevelopment of the pier. In addition, the Port and IMOW agreed that the new development program would include other income generating land uses consistent with the Waterfront Land Use Plan and public trust in order to further activate the pier and to provide cash flow to IMOW equaling approximately half of the annual Base Rent that IMOW would be obligated to pay the Port.

The Revised Project Proposal will include updated cost and cash flow projections for the Project in order to evaluate the financial feasibility of the development project and ongoing operations including the capacity of the Project to satisfy the parameters of the ERN Term Sheet (Exhibit B of the ERN).

The Port staff is supportive of IMOW's proposal to take additional time to revise and resubmit the Revised Project Proposal provided that the goal is not only to reduce construction costs but also to further develop the Development Program, Conceptual Plan and Museum Operations

OFFICE OF THE PUBLISHER: 535 N. Dearborn St., Chicago, Ill.
Subscription price, \$5.00 per annum in advance. Single copies, 15 cents.

Entered as second-class matter, May 2, 1912, under post office number 384, at Chicago, Ill., under special agreement of post office and postmaster. Accepted for mailing at special rate of postage provided for in Act of October 3, 1917, authorized on July 16, 1918. Postpaid.

Copyright, 1919, by American Medical Association. All rights reserved.
Printed at the American Medical Association, 535 N. Dearborn St., Chicago, Ill.

Second-class postage paid at Chicago, Ill., and at additional mailing offices.
Postmaster: This publication is entered as second-class matter under post office number 384, at Chicago, Ill., under special agreement of post office and postmaster.

Acceptance for mailing at special rate of postage provided for in Act of October 3, 1917, authorized on July 16, 1918.

Postpaid. This publication is entered as second-class matter under post office number 384, at Chicago, Ill., under special agreement of post office and postmaster.

Postmaster: This publication is entered as second-class matter under post office number 384, at Chicago, Ill., under special agreement of post office and postmaster.

Postmaster: This publication is entered as second-class matter under post office number 384, at Chicago, Ill., under special agreement of post office and postmaster.

Postmaster: This publication is entered as second-class matter under post office number 384, at Chicago, Ill., under special agreement of post office and postmaster.

Postmaster: This publication is entered as second-class matter under post office number 384, at Chicago, Ill., under special agreement of post office and postmaster.

Plan and updated Cash Flow Projections for review and consideration of endorsement by the Port Commission.

IV. Recommendation

Port staff recommends that the Port approve Resolution 04-98 authorizing the Executive Director to execute the Second Amendment to the ERN with IMOW as described in this staff report and in substantially the form on file with the Commission Secretary.

Prepared by: Kari Kilstrom, Planning & Development



**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 04-98

- WHEREAS, Charter Section B3.581 grants the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and
- WHEREAS, Under Charter Section B3.581(g), leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and
- WHEREAS, The Port owns that certain property known as Pier 26, located on The Embarcadero between Harrison and Bryant Streets; and
- WHEREAS, On August 13, 2001, the Board of Supervisors unanimously adopted Resolution 659-01 welcoming the International Museum of Women ("IMOW") to San Francisco and encouraging the Port of San Francisco to negotiate with IMOW for the possible use of Pier 26, including developing mutually agreeable terms and conditions including performance benchmarks for the museum; and
- WHEREAS, Between February and September 2002, IMOW submitted information to the Port regarding its proposal for Pier 26, including a preliminary development concept, market study, preliminary financial objectives, development team, project timeline, estimated development cost, fundraising strategy and financial analysis of the museum operation; and
- WHEREAS, On March 18, 2003, the Board of Supervisors unanimously adopted a resolution exempting the potential lease of Pier 26 to the IMOW from the competitive bidding policy set forth in the City Administrative Code, and stating that if the Port and IMOW agree upon the form of a lease for Pier 26, the Board would not disapprove of such a lease solely on the basis that it does not satisfy the competitive bidding policy; and
- WHEREAS, On March 25, 2003 the Port Commission adopted Resolution 03-26 authorizing the Executive Director or his designee to negotiate an exclusive right to negotiate agreement with IMOW for the development and long-term lease of Pier 26, provided that the Executive Director submit the form of the fully negotiated ERN, including performance benchmarks, to this Port Commission for its final review and approval; and
- WHEREAS, Pursuant to Resolution 03-26, the Port and IMOW entered in an Exclusive Right to Negotiate Agreement on June 24, 2003 (the "Original Exclusive Right"), which included, among other requirements, Performance

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

THEORY OF THE

Benchmarks (as set forth in Exhibit A to the Original Exclusive Right) to be satisfied by IMOW within specified timeframes; and

- WHEREAS, At IMOW's request, the Port granted IMOW an extension of time to complete certain Performance Benchmarks by letter dated February 26, 2004 ("Letter Amendment"); and
- WHEREAS, In the course of its due diligence activities, IMOW identified significant unanticipated costs associated with its proposed use of Pier 26, particularly related to structural repair and upgrades; and
- WHEREAS, Accordingly, IMOW has requested another extension of time to analyze alternatives to the proposed plans, resolve cost issues, work with the Port to identify potential revisions to the development program that are satisfactory to the Port and IMOW, and submit a revised development program, updated cost estimates and cash flow projections as generally described in Performance Benchmark #2; and
- WHEREAS, The Port staff is supportive of IMOW's proposal to take additional time to revise and resubmit a revised development program that fully satisfies Performance Benchmark #2, with the understanding that the goal is not only to reduce construction costs but also to further develop and update the development program, conceptual plan, museum operations plan and cash flow projections for review and consideration for endorsement by the Port Commission; and
- WHEREAS, In consideration for the extension of time, Port staff recommends the Port Commission authorize other amendments to the ERN as generally outlined in the Staff Report dated December 7, 2004, for this item and specifically documented in the Second Amendment to the ERN on file with the Commission Secretary; and, NOW THEREFORE, BE IT
- RESOLVED, That, based on staff's recommendation and its own review, the Port Commission hereby authorizes and directs the Executive Director of the Port or her designee to execute and enter into the Second Amendment to the ERN with IMOW substantially in the form on file with the Commission Secretary, with any changes to such form that are consistent with this Resolution 04-98 and are approved by the San Francisco City Attorney.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of December 14, 2004.

Secretary

Subscription prices: Five dollars per annum in advance. Single copies, fifteen cents. Payment in advance. All communications should be addressed to the Editor, The Journal of the American Medical Association, 535 North Dearborn Street, Chicago, Ill.

Entered as second-class matter, June 26, 1907, under post office number 383, at Chicago, Ill., under special agreement of post office and postmaster. Accepted for mailing at special rate of postage provided for in Act of October 3, 1917, authorized on July 1, 1918.

Postmaster: This publication is entered as second-class matter, June 26, 1907, under post office number 383, at Chicago, Ill., under special agreement of post office and postmaster. Accepted for mailing at special rate of postage provided for in Act of October 3, 1917, authorized on July 1, 1918.

Copyright, 1918, by The American Medical Association. All rights reserved. Printed at the Chicago Press, Chicago, Ill.

Published by The American Medical Association, 535 North Dearborn Street, Chicago, Ill.

Subscription prices: Five dollars per annum in advance. Single copies, fifteen cents. Payment in advance. All communications should be addressed to the Editor, The Journal of the American Medical Association, 535 North Dearborn Street, Chicago, Ill.

EXHIBIT A

**PERFORMANCE BENCHMARKS
REVISED PER SECOND AMENDMENT TO ERN**

[All capitalized terms shall have the meaning given to them in the ERN]

<u>Benchmark</u>	<u>Time for Performance</u>
Due Diligence Work	
1a) Further geotechnical investigation. Review results of geotechnical investigation with Port staff.	Feb 15, 2005
1b) Deliver engineering or other due diligence reports to Port staff.	March 15, 2005
1c) Develop museum operations plan with assistance from economics and/or museum consultants. Include project economics (i.e. cash flow projections). Review pro-forma assumptions and analysis of operating costs and revenues with Port staff.	April 1, 2005
Revised Project Proposal	
2. IMOW will submit to Port for its review a Revised Project Proposal that includes a Revised Development Program; a Revised Conceptual Plan; a Museum Operations Plan; and Updated Cash Flow Projections that meet the parameters set forth in the Term Sheet and an updated description of the Development Team (as applicable) as further described in Exhibit C.	July 29, 2005

CHAPTER 1

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change.

1.1 The Early Years

1.2 The Revolutionary War

The Revolutionary War was a turning point in American history.

The war was fought between the thirteen colonies and the British Empire.

The war ended in 1781 with the British surrender at Yorktown.

The war was a result of the colonies' desire for independence.

The war was a struggle for freedom and self-government.

The war was a defining moment in American history.

The war was a struggle for the future of the new nation.

The war was a fight for the principles of liberty and justice.

The war was a battle for the soul of the American people.

The war was a testament to the power of the American dream.

EXHIBIT C

SUBMITTAL REQUIREMENTS FOR REVISED PROJECT PROPOSAL ADDED PER SECOND AMENDMENT TO ERN

The revised Performance Benchmark #2 includes submittal of information and materials to the Port to describe and define the Revised Project Proposal. The information submitted must include, but not be limited to, the following items:

Museum Operations Plan

- 1) Description of the museum concept; comparable museums; explain how museum will be successful and how the project relates to a waterfront location at Pier 26; discuss competitive position of the proposed museum in relation to other museums within the City and region.
- 2) Description of use areas within the project, programs, and the public experience of the project;
- 3) Analysis of space allocation for museum uses; and
- 4) Identity of the legal entity that will be responsible for the development and operation of the Project following its completion including the structure of the operation and management business. Identify the relationship between this entity and any superior or subordinate entities that will be involved in the day-to-day operations or long term planning of the operations.

Updated Cash Flow Projections

Provide an estimate of the operating revenues and expenses of the proposed Project in the form of a pro forma Statement of Cash Flows for each year during at least the first twenty years of the Lease. Clearly state assumptions with back-up information to a degree sufficient for the Port to judge the validity of the estimates (more detail is preferred over less) including, but not limited to:

- 1) Provide assumptions regarding operating revenues (by source) and detailed operating expenses, development costs, inflation rates, and a Plan of Finance and Repayment for the Project, including fundraising and financing assumptions; and
- 2) Reflect the impact of the proposed lease terms on the overall Project, and show the base rental income and projected percentage or participation rental income to the Port.

The Statement of Cash Flows should detail in the following order:

THE HISTORY OF THE UNITED STATES

OF THE

THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME. BY J. W. FULTON, ESQ., OF NEW-YORK.

NEW-YORK: PUBLISHED BY J. W. FULTON, 1800.

THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME. BY J. W. FULTON, ESQ., OF NEW-YORK.

THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME. BY J. W. FULTON, ESQ., OF NEW-YORK.

THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME. BY J. W. FULTON, ESQ., OF NEW-YORK.

THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME. BY J. W. FULTON, ESQ., OF NEW-YORK.

THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME. BY J. W. FULTON, ESQ., OF NEW-YORK.

THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME. BY J. W. FULTON, ESQ., OF NEW-YORK.

THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME. BY J. W. FULTON, ESQ., OF NEW-YORK.

THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME. BY J. W. FULTON, ESQ., OF NEW-YORK.

THE HISTORY OF THE UNITED STATES OF AMERICA, FROM THE FIRST SETTLEMENTS TO THE PRESENT TIME. BY J. W. FULTON, ESQ., OF NEW-YORK.

- 1) A detailed annual forecast of revenues and expenses concluding in a net income available for rent to the Port and debt service, and other non-operating expenditures. The forecast shall set forth each operating department's revenues concluding in a total revenue line, each operating and non-operating department's expenses concluding in a total departmental expense line, undistributed operating expenses, and fixed expenses (excluding rental payments to Port);
- 2) Rental payments to Port (Base Rent and Percentage Rent);
- 3) Reserves, including replacement reserves, re-tenanting reserves, and the annual contribution to a substructure maintenance and repair fund per the Term Sheet;
- 4) Debt Service (principal and interest and costs to maintain debt in place);
- 5) Cash Flow after Rent to Port, Deposit to Reserves and Payment of Debt Service;
- 6) Non-Operating Outlays; and
- 7) Net Cash Flow.

Revised Development Program

Narrative description with accompanying tables of the proposed Project concept, development program and operational and management plan for the Project, which includes the following:

- 1) Description of the proposed development program, including mix of uses, types of uses, and square footages and how they comply with the Sublease Income and Use of Premises provisions of the Term Sheet;
- 2) Explanation as to how the development program will address the Waterfront Land Use Plan Objectives and Development Standards including Historic Preservation objectives and Public Trust requirements;
- 3) Description of the operational and management plan for the Project.
(Note: This may be provided earlier with Museum Operations Plan, but is considered part of the Development Program);
- 4) Detailed development cost estimates including itemized hard and soft costs and all other indirect costs required to implement the Project;
- 5) Sources of funds for development costs; and
- 6) Description of potential occupants and operations, including sub-tenancies.

Revised Conceptual Plan

Provide a description and discussion of the architecture and urban design considerations of the Project, including the following:

- 1) Conceptual drawings, perspective renderings to show the appearance and character of the Project, and elevations, floor plans and sections showing key elements of the Project drawn in sufficient detail to show proposed uses and their locations, pedestrian circulation, vehicular access, service areas and open space and public access areas and other features of the Project;
- 2) A narrative description and discussion of the architectural and urban design approach to the Project, including thinking regarding general style, historic preservation, response to surrounding land uses and urban forms including the Bay Bridge, overall utilization and activation of the Premises including open space areas, materials and other design elements;
- 3) A narrative description of income generating uses and public amenities; and
- 4) A narrative explanation of how the design of the proposed Project would meet the Waterfront Land Use Plan Objectives and Development Standards and the Design Criteria of the Design & Access Element, including Historic Preservation objectives and criteria.



MEMORANDUM

December 10, 2004

TO: MEMBERS, PORT COMMISSION
Hon. Wilfred Hsu, President
Hon. Michael Hardeman, Vice President
Hon. Kimberly Brandon
Hon. Sue Bierman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Approval of Work Product Provisions (Exhibit 1 to the Fifth Amendment to Exclusive Right to Negotiate Agreement) with Stanford Hospitality, Inc. for Embarcadero Hotel Project at Broadway on Seawall Lots 323, 324 and 322-1

DIRECTOR'S RECOMMENDATION: APPROVE WORK PRODUCT PROVISIONS WITH STANFORD HOSPITALITY, INC.

BACKGROUND

Stanford Hospitality, Inc. ("Stanford") is the developer selected by the Port Commission to develop the hotel project, consisting of a hotel, parking garage and waterfront garden, on Port seawall lots located on the Embarcadero at Broadway ("Hotel Project"). At the Port Commission meeting on July 27, 2004, pursuant to Resolution 04-68, the Port Commission authorized the Executive Director to extend Stanford's Exclusive Right to Negotiate Agreement ("ERN") through November 30, 2005, subject to resolution of certain Work Product provisions of the ERN to the satisfaction of the Port Commission following a hearing at a public meeting. The Commission reserved the right to review the proposed language of the Work Product provisions and to determine, in its sole discretion, whether to approve the Work Product provisions or to terminate the ERN without opportunity on the part of the developer to cure.

The Port and Stanford have executed a Fifth Amendment to the ERN that extends the term until November 30, 2005 and provides that Stanford and Port staff are to negotiate in good faith and attempt to reach agreement on specific provisions pertaining to the release by Stanford of studies, reports, applications, permits, plans, drawings and other work product regarding the Hotel Project (collectively, the "Project Materials") in the event of termination or expiration of the ERN without concurrent execution of a Lease Disposition and Development Agreement. The Work Product provisions were to be incorporated into the ERN if approved by the Port Commission in its sole and absolute discretion at a public meeting on August 31, 2004.

THIS PRINT COVERS CALENDAR ITEM NO. 6B



THE
OFFICE OF THE
SECRETARY OF THE
NAVY

WASHINGTON, D. C.

DEPARTMENT OF THE NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

NAVY

Port staff and Stanford then negotiated the language of these Work Product provisions, and these provisions were presented to the Commission at the meeting on August 31, 2004. At that time several members from the community expressed opposition to the hotel project design and their discontent with the lack of communication between the developer and the community. The Port Commission continued this matter for approximately three months because it was not convinced of the value of Exhibit 1 due to the community opposition to the hotel design vocalized at the meeting. In continuing the matter, the Commission encouraged Stanford to develop and implement a community action plan to engage directly with the community. It also invited Stanford to return to a future public meeting to report on its community outreach plan and efforts.

Based on the Commission's action on August 31, 2004, the Port and Stanford agreed to extend the deadline for incorporating the Work Product provisions from August 31, 2004 to December 14, 2004.

The purpose of today's hearing is to consider the Work Product provisions that have been negotiated between Port staff and Stanford, and to direct staff accordingly. If approved, these provisions will be incorporated into the Fifth Amendment to the ERN by way of an Exhibit 1, which is attached to this staff report.

Community Outreach

Stanford reports that during the past three months it has met with members of the community and intends to continue to meet with interested citizens. Most of these meetings were attended by Port staff. A Steering Committee was established by the Northeast Waterfront Advisory Group and includes members of the Waterfront Action Group, Telegraph Hill Dwellers, the Northeast Waterfront Advisory Group, the Stanford team and Port staff. This Steering Committee met on September 22, 2004 and again on November 10, 2004. Approximately 1200 invitations were mailed to stakeholders in the vicinity of the Hotel Project for a community-wide evening meeting at Pier 1 on November 29, 2004. Approximately 80-90 people attended this community meeting. Issues such as height, massing, view corridors and operational issues were discussed. A meeting with a smaller group of citizens was also held at the Project Architect's office to review heights and views. Further community outreach is planned, and changes to the Hotel Project will be considered during the ERN period.

At the December 14, 2004 public hearing Stanford will make a brief informational presentation to the Commission on its outreach efforts and future plans.

The Work Product Provisions

The purpose of the Work Product provisions is to provide a mechanism for delivering the Project Materials to the Port for the Port's use or for use by another developer in the event that Stanford does not advance the development of the Hotel Project as provided in the ERN extension. The provisions apply if Stanford defaults under the ERN and the ERN is terminated, or if Stanford voluntarily withdraws or abandons the Hotel Project, or if the ERN expires and Stanford has failed to obtain certification of the Environmental Impact Report and approval and execution of the Lease Disposition and Development Agreement.

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.

The second part of the report deals with the economic situation of the country. It is a very interesting and informative study of the country's economic development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's economic development.

The third part of the report deals with the social situation of the country. It is a very interesting and informative study of the country's social development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's social development.

The fourth part of the report deals with the political situation of the country. It is a very interesting and informative study of the country's political development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's political development.

The fifth part of the report deals with the cultural situation of the country. It is a very interesting and informative study of the country's cultural development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's cultural development.

Under the provisions, the Port or its nominee (i.e., a new developer) would receive, at no cost, various studies, reports, applications, permits, and other Project Materials that Stanford's consultants (except legal advisors) have generated for the Hotel Project. These Project Materials could be used by the Port for any purpose, including future development by a new developer of the same or similar hotel project or a different project.

In addition, if a new developer chooses to pursue a hotel project at this site using Stanford's architectural drawings, Stanford must either assign or waive and release its rights to the architectural drawings, upon written notice from the Port. Stanford would be entitled to a Fee for the architectural drawings if the ERN expired without the concurrent execution of a Lease Disposition and Development Agreement by the parties. The Fee equals the fees and expenses charged by Stanford's architect, Hornberger + Worstell, Inc. ("HWI"), and paid by Stanford for the architectural drawings and plans. HWI is the architectural firm retained by Stanford in 2002 that created the current architectural plans for the proposed Hotel Project. The fees and expenses would have to be documented by written invoices from the architect. Stanford indicates that as of August 31, 2004 it has paid \$978,000 to this architectural firm. The Fee would include the "document release fee" that Stanford is required to pay to the architect in order to obtain the right to assign the drawings. Stanford indicates that the document release fee payable to HWI is \$100,000. However, if the new developer were able to negotiate a new agreement directly with HWI, then the document release fee may not be required.

While the Port would be jointly and severally responsible with any new developer for payment of the Fee, the Port would require any new developer to pay the Fee to Stanford. The mechanism for accomplishing this would be set forth in any future RFP and in any agreement with any new developer. If the Port does not proceed with the project there is no obligation to pay the Fee.

Staff Recommendation

Port staff recommends that the Port Commission authorize and direct the Executive Director to execute Exhibit 1 to the Fifth Amendment to the ERN in the form attached hereto.

Prepared by: Jennifer Sobol
Project Manager
Planning & Development

The first part of the report is devoted to a general description of the country and its resources. It is found that the country is well adapted for agriculture and stock raising, and that there is a large amount of land available for settlement.

The second part of the report is devoted to a description of the principal towns and cities, and to a statement of the principal occupations of the people. It is found that the principal occupations are agriculture, stock raising, and commerce.

The third part of the report is devoted to a description of the principal rivers and streams, and to a statement of the principal fisheries. It is found that the principal rivers are the River of the North and the River of the South, and that the principal fisheries are the fishery of the North and the fishery of the South.

The fourth part of the report is devoted to a description of the principal mountains and hills, and to a statement of the principal minerals. It is found that the principal mountains are the Mountains of the North and the Mountains of the South, and that the principal minerals are the minerals of the North and the minerals of the South.

The fifth part of the report is devoted to a description of the principal lakes and ponds, and to a statement of the principal fisheries. It is found that the principal lakes are the Lakes of the North and the Lakes of the South, and that the principal fisheries are the fishery of the North and the fishery of the South.

The sixth part of the report is devoted to a description of the principal forests and woods, and to a statement of the principal timber. It is found that the principal forests are the Forests of the North and the Forests of the South, and that the principal timber is the timber of the North and the timber of the South.

The seventh part of the report is devoted to a description of the principal rivers and streams, and to a statement of the principal fisheries. It is found that the principal rivers are the River of the North and the River of the South, and that the principal fisheries are the fishery of the North and the fishery of the South.

The eighth part of the report is devoted to a description of the principal mountains and hills, and to a statement of the principal minerals. It is found that the principal mountains are the Mountains of the North and the Mountains of the South, and that the principal minerals are the minerals of the North and the minerals of the South.

The ninth part of the report is devoted to a description of the principal lakes and ponds, and to a statement of the principal fisheries. It is found that the principal lakes are the Lakes of the North and the Lakes of the South, and that the principal fisheries are the fishery of the North and the fishery of the South.

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 04-99

- WHEREAS, Charter Section B3.581 grants the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and
- WHEREAS, Under Charter Section B3.581 (g), leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and
- WHEREAS, The Port owns certain properties known as Seawall Lots 323, 324 and 322-1; and
- WHEREAS, In November 1998, the Port issued a Request for Qualifications and Proposals for the lease, development and operation of a full-service, first-class hotel on said Seawall Lots and the ends of Vallejo and Davis Streets; and
- WHEREAS, Stanford Hospitality, Inc. ("Stanford") submitted a response to the RFQ/P on May 18, 1999 which complied with the submittal requirements stated in the RFQ/P; and
- WHEREAS, Based on staff's and its own review, the Port Commission authorized the Executive Director to enter into exclusive negotiations with Stanford on August 10, 1999 (Resolution No. 99-62); and
- WHEREAS, The Port and Stanford executed an Exclusive Right to Negotiate agreement ("ERN") on November 8, 1999 for a period of six months, with two six-month extension options; and
- WHEREAS, Stanford exercised both extension option periods extending the ERN to May 7, 2001; and
- WHEREAS, The Port Commission subsequently authorized further extensions of the ERN, and by Fourth Amendment thereto, authorized extension of the ERN to July 31, 2004; and
- WHEREAS, On July 27, 2004 (Resolution No. 04-68), the Port Commission authorized the Executive Director to extend the ERN, by Fifth Amendment thereto, to November 30, 2005, provided, however, that the Commission reserved the right to review the proposed resolution of the Work Product language at the Commission meeting on August 31, 2004, and determine, in its sole discretion, whether to terminate the ERN without opportunity on the part of Stanford to cure; and
- WHEREAS, On July 30, 2004 the Executive Director and Stanford executed the Fifth Amendment to the ERN, which provided as a condition that Staff and Stanford negotiate in good faith and attempt to reach agreement on specific provisions whereby, in the event of termination or expiration of the ERN without concurrent execution of a Lease Disposition and Development Agreement, Stanford agrees to

assign and/or waive its rights to studies, applications, reports, permits, plans, drawings and Work Product regarding the hotel project; and

WHEREAS, The above provisions were to be incorporated into the Fifth Amendment by an Exhibit 1, upon approval of such provisions by the Port Commission, in its sole and absolute discretion, at its August 31, 2004 public meeting; and

WHEREAS, On August 31, 2004 the Port Commission continued the matter for approximately three months because it was not convinced of the value of Exhibit 1 due to the community opposition to the hotel design vocalized at the meeting. In continuing the matter, the Commission encouraged Stanford to develop and implement a community action plan to engage directly with the community to respond to their concerns. It also invited Stanford to return to a future public meeting to report on its community outreach plan and efforts; and

WHEREAS, Based on the Commission's action on August 31, 2004, the Port and Stanford agreed to extend the deadline for incorporating the Work Product provisions from August 31, 2004 to December 14, 2004; and

WHEREAS, If the Port Commission fails to approve the provisions of such Exhibit 1 on December 14, 2004, the ERN shall be immediately terminable by Port without further notice or cure; and

WHEREAS, Staff and Stanford have negotiated in good faith and have reached agreement on the Work Product language, as contained in Exhibit 1 to the Fifth Amendment of the ERN, attached to the Staff Report for this item, Item 6B; and

WHEREAS, Staff recommends that the Port Commission authorize the Executive Director to execute Exhibit 1 to the Fifth Amendment of the ERN; and now therefore, be it

RESOLVED, That, based on Staff's recommendation and its own review, the Port Commission hereby authorizes the Executive Director of the Port to execute Exhibit 1 to the Fifth Amendment of the ERN in the form attached to the Staff Report for this item, Item 6B; and, be it further

RESOLVED, That the Port Commission makes no representation and gives no assurance that the hotel project will be ultimately accepted or approved by the Port Commission; and, be it further

RESOLVED, That the Port will not enter into a final lease that would allow for the development of the hotel project until there has been complete compliance with the California Environmental Quality Act (CEQA).

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of December 14, 2004.

Secretary

EXHIBIT 1

This Exhibit 1 is attached to and fully incorporated by reference herein to that certain Fifth Amendment to Exclusive Right to Negotiate agreement (the "**Fifth Amendment**") entered into by and between the City and County of San Francisco, acting by and through the Port Commission ("**Port**") and Stanford Hospitality, Inc., a California corporation ("**Developer**"). All capitalized terms not defined herein shall have the meaning given to them in the Fifth Amendment.

ASSIGNMENT OF PROJECT MATERIALS

Developer's obligations with respect to all studies, applications, reports, permits, plans, drawings and similar work product prepared for Developer regarding the Project by Developer's architects, engineers, consultants, and other professional advisors (excluding legal advisors) (collectively, "**Project Materials**") shall be as follows:

I. Assignment of Project Materials

- A. In the event of (1) Developer's voluntary withdrawal from, (2) Developer's abandonment of, (3) any early termination of the ERN by Port as a result of a material default thereunder by Developer, or (4) expiration of the ERN occurring without the concurrent execution of an LDDA by the parties, Developer shall, within thirty (30) days of written notice from Port and (except as set out in Section II below) without cost to Port or its Nominee (as defined in Section III below):
 - (a) satisfy all outstanding fees relating to the Project Materials and provide written evidence of such satisfaction to Port;
 - (b) assign to Port or its Nominee, by way of legally binding instruments, all of Developer's rights and interest in the Project Materials to the extent possible; provided, that, any "assignment fee" charged by the creators of the respective Project Materials for any such assignment shall not be the responsibility of Developer to satisfy; and
 - (c) deliver or have delivered from the appropriate parties all Project Materials to Port or its Nominee.
- B. Further, in such event, Developer shall be deemed to waive and release Port from any claims of proprietary rights or interest by Developer in the Project Materials and agree that Port may utilize any or all of the Project Materials for any purpose whatsoever, including pursuit of the same or similar Project with another developer.

II. Reimbursement of Developer's Architectural Fees. Notwithstanding the foregoing:

- A. Developer shall not either (1) waive and release Port from any of Developer's claims of proprietary rights or interest or (2) assign Developer's rights to Port or its Nominee in and to the Hornberger + Worstell, Inc. ("**HWI**") plans and drawings unless and until the Port gives not less than seven (7) days notice in writing to Developer to do so.

- B. If Port gives notice and said notice requires Developer to assign the HWI plans and drawings as set forth in Section II(A)(2) above, then upon receipt of such notice by Developer, the parties shall promptly do as set forth below.

Developer shall:

- (i) Execute the required Documents Transfer Agreement ("DTA") in the form attached to that certain agreement between Developer and HWI in favor of HWI;
- (ii) Pay the required Document Release Fee to HWI;
- (iii) Comply with the provisions of Section I(A)(a), (b) and (c) above.

Port or its Nominee shall:

- (i) Execute in favor of Developer a document transfer agreement in substantially similar terms to the DTA, including (but without affecting the generality of the foregoing) a counter indemnity for the Indemnity given by Developer to HWI in the DTA.

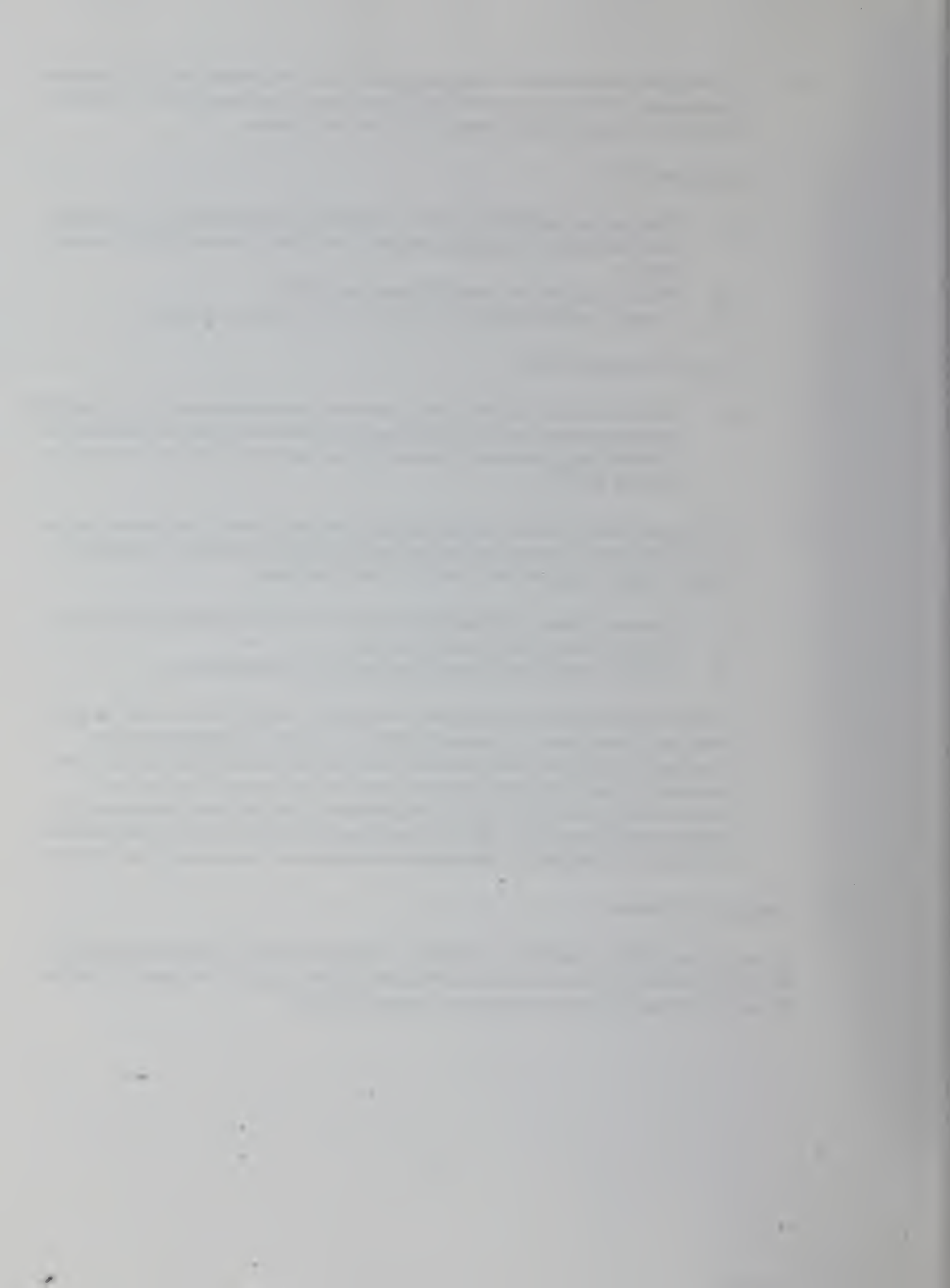
- C. If Port gives notice and said notice requires Developer to waive and release the Port from Developer's claims as set forth in Section II(A)(1) above, Developer shall promptly, upon receipt of Port's notice, do the following:

- (i) Execute in favor of and deliver to Port a waiver and release agreement in a form reasonably approved by Port; and
- (ii) Comply with the provisions of Section I(A)(a) and (c) above.

- D. In the event the ERN expired without a concurrent execution of an LDDA by the parties as contemplated by Section I(A)(4) above, then, simultaneously with Developer's compliance with the above provisions of Section II(B) or (C), as the case may be, Port or its Nominee shall reimburse Developer for the fees and expenses paid by Developer to HWI with respect to the Project as documented by written invoices from HWI. The Port shall be jointly and severally responsible with its Nominee for payment of the reimbursable amount to Developer provided herein.

III. Definition of Nominee

As used in this Exhibit 1, the Port's "Nominee" shall mean (A) any developer selected by the Port for pursuit of the same or similar Project or (B) any party so designated by the Port for use for any purpose other than the same or similar Project.



IN WITNESS WHEREOF the parties hereto have executed this Exhibit 1 as of the date indicated below.

DEVELOPER

STANFORD HOSPITALITY, INC.,
A California Corporation

BY: _____

Anthony Carter
Vice President

DATE: _____

BY: _____

James E.M. Evans
Chief Financial Officer

DATE: _____

PORT

CITY & COUNTY OF SAN FRANCISCO,
A Municipal Corporation, operating by and through the
SAN FRANCISCO PORT COMMISSION
Port Commission Resolution No. 04-75

BY: _____

Monique A. Moyer
Port Executive Director

DATE: _____

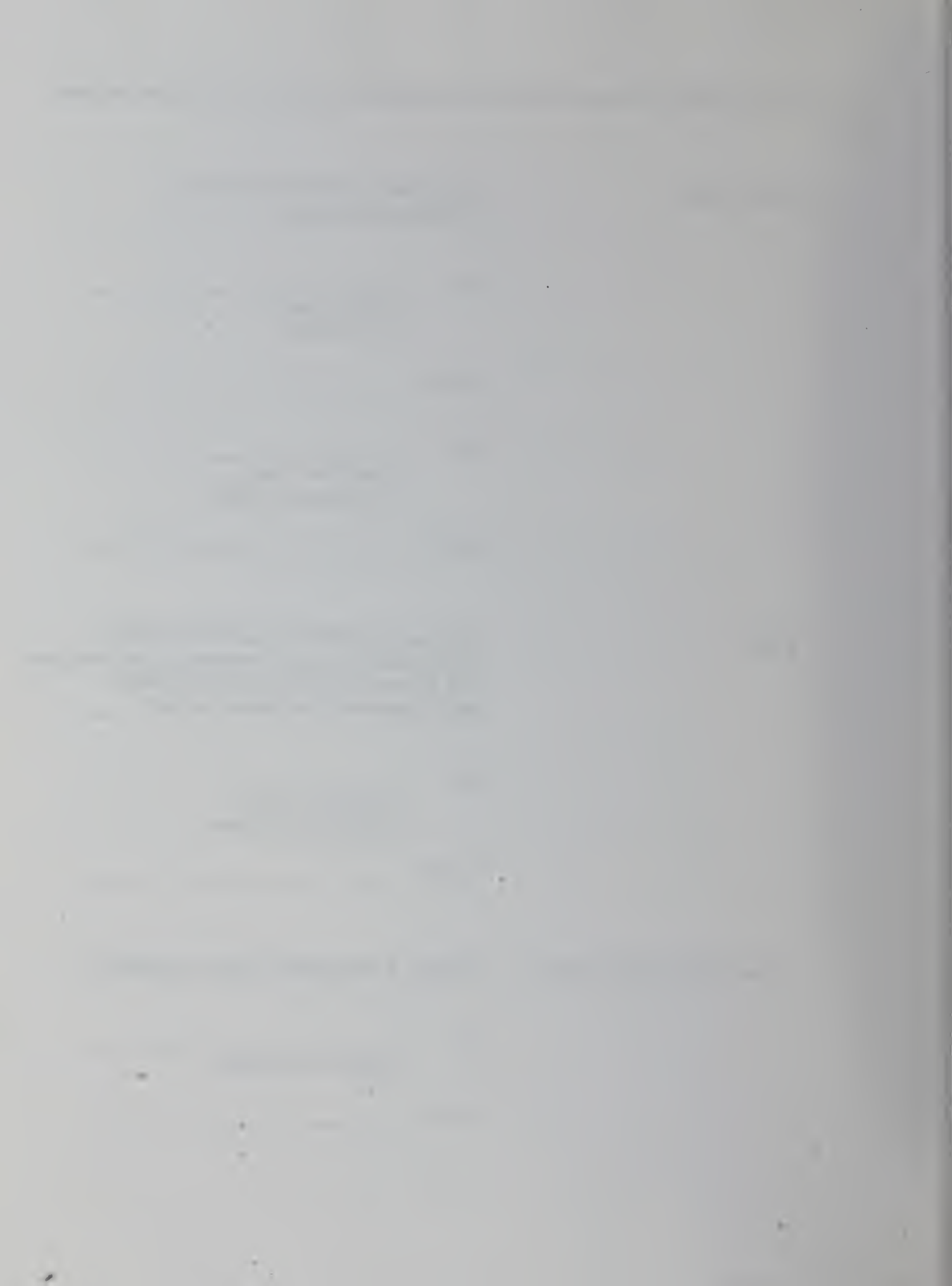
APPROVED AS TO FORM:

DENNIS J. HERRERA, CITY ATTORNEY

BY: _____

Deputy City Attorney

DATE: _____



SAN FRANCISCO PORT COMMISSION

DOCUMENTS DEPT.

JAN - 6 2005

SAN FRANCISCO
PUBLIC LIBRARY

DECEMBER 14, 2004 MINUTES OF THE MEETING

Special

MEMBERS, PORT COMMISSION

HON. WILFRED HSU, PRESIDENT
HON. MICHAEL HARDEMAN, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. SUE BIERMAN
HON. ANN LAZARUS

MONIQUE MOYER, EXECUTIVE DIRECTOR

SF
055
#3
12/14/04
special

CITY & COUNTY OF SAN FRANCISCO

PORT COMMISSION

MINUTES OF THE SPECIAL MEETING DECEMBER 14, 2004

1. CALL TO ORDER / ROLL CALL

Commission President Wilfred Hsu called the meeting to order at 2:20 p.m. The following Commissioners were present: Wilfred Hsu, Michael Hardeman and Ann Lazarus. Commissioner Sue Bierman arrived at 4:10 p.m. Commissioner Brandon was not present.

2. APPROVAL OF MINUTES - November 9, 2004 Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; the minutes of the November 9, 2004 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Ms. Moyer reported the following:

- Pier 27-31 Development Agreement Update: At the November 9, 2004 Commission meeting, the Commission authorized the Third Amendment to the Exclusive Right to Negotiate Agreement (ERN) for the Piers 27-31 Mixed Use Recreation Project, extending the ERN until March 31, 2004, provided agreement is reached with the developer on the non-refundable extension fee and reimbursement of the Port's transaction costs. As of noon today, staff has reached an agreement with Mills Corporation on those items, a day ahead of schedule. The ERN will proceed pursuant to last month's resolution.
- Roundtable and Functional Emergency Preparedness Exercise: Port staff, in conjunction with the Office of Emergency Services, the Fire Department, the Police Department, the Sheriff's office, the Coast Guard performed a functional exercise on December 7, 2004 at China Basin. The exercise was a terrorist take-over of a passenger ferry and hostages were taken. The exercise took about 2 ½ hours. The Port set up its emergency communications office at Pier 1. The command center was set up by the other safety organizations. A specialist on Port security observed the exercise. As part of this exercise, the USCG went to MARSEC Level 3, which is the equivalent to Homeland Security Red. It was a fascinating event. It started with two firemen who approached the vessel before it was secured and were immediately injured and forced to lie on the ground for 15 minutes or so which caused the police department to perform a rescue, which they had not planned to do. The Sheriff's deputies played the terrorists and did a great job. There were SWAT teams from the police department. Divers were involved as

well as the medical examiner. It was a very worthwhile exercise. The OES is coordinating a similar exercise around the City. She thanked all the departments involved for their assistance in the exercise.

- Report on Policies under Consideration: At the last Commission meeting, Commissioner Lazarus asked about the policies and procedures that staff was working on. The list consists of 12 policies and 10 procedures with no time commitment at this time. Seven of the policies would be new policies and the other 5 would be updates to existing policies. For example, there is an existing Grants of Operating Authority policy to the Port Director adopted by the Port Commission in 1980. Edward David was the Port Director. It is a policy of 14 authorizations, all of which are still good. Staff is evaluating whether our practices as they have evolved in the last two decades are still accurate with respect to this policy. Six of the policies will come before the Commission for approval. Staff is working on a couple policies that are on the forward agenda. Staff expects to work on the others in the next 12-18 months. Likewise, staff will work on four new procedures to streamline internal efficiencies. She appointed an Efficiency Task Force, a task force of various Port staff who is looking at the organization to figure out how 218 Port employees can meet all of its obligations. The task force suggested some of the recommended policies and procedures. At this point, she's only willing to commit as to when the two policies will be presented to the Commission.
- 2003/04 Financial Audit. The audit has been completed. The Commission was provided copies and it is also posted on the Port's website at www.sfport.com. She commended John Woo and his staff for their work on the audit. It's a good news, bad news story. It's good news with respect to the Port's balance sheet, the net assets improved by 3% which is consistent with and a little better than CPI but when you break down how the assets improved, it's a function of the fact that we refinanced our debt and wrote down some of our other liabilities. The assets are not necessarily growing by 3% but it's the fact that we're trying to reduce our liabilities. With respect to revenues and expenses for the FY 2003/04, revenues were up 5.5%. Four of that 5% is attributable to commercial rent and half of that is attributable to percentage rents which tells us that there is economic improvement along the waterfront. Expenses were down by 3% which is significant but the bad news is that expenses still exceeded revenues by 2%. That in part led to our reduction in staff and other expenses in the FY 2004/05 budget. Hopefully, in next year's audit, the Port could get back to a position of balance. The audit is publicly available on the website or contact the Commission Secretary for a hard copy.
- 2005/06 Budget Process. The Port, as is every City departments, is to deliver their budget to the Controller's office on February 18th. Staff will bring the budget and capital expenditure program for Commission's approval on February 8th. After the Controller's office, it is due at the Mayor's budget's office by February 28. The Mayor is due to have his budget to the Board of Supervisors on June 1st unless they have, as in past years, an agreement to submit it sooner. The Port is still in a deficit position. It's her goal to have operating revenues equal operating expenses. The budget that was approved in 2004/05 was again out of balance. Staff relied on a significant amount of its reserves to pay for the dredging costs, the special area plan allocation and its capital. It's her goal to get those into our operating revenues which means we have to get \$5 million or effectively almost 10% of our budget

back out of reserves and into our annual earnings. The good news is that we have revenue growth which will help with that. The difficult part is that the City's labor MOUs include COLA increases of 1.3% and plusses. Worker's Comp and medical costs continue to rise which will cost the Port about \$832,000. This will again be a difficult budget that staff will be bringing to the Commission. We will not be able to add positions that are desperately needed. It is her hope that we will not have to eliminate positions again and that we can continue to be extremely constrained with respect to other spending. Staff is looking at the dredging costs, the special area plan allocation and a number of line items.

- New Year's Eve Party: At this moment in time, it does not appear that the City will be hosting a NYE party at the Embarcadero due to lack of funding. There will be a private function sponsored by San Francisco Chronicle and others at Embarcadero 4. There will be various events along the waterfront, particularly in the central waterfront. Staff will ensure that appropriate police and Department of Parking Traffic staff are available.
- Agenda Modification: The Communications item on the back of the agenda has been added. This is intended to be communications addressed to the Commission, not communications that the Port receives in whole. Communications that are received each month from the date of mailing of the agenda to the date of the next mailing of the agenda will be included on the list. This agenda was mailed December 9 and included in this list are the communications staff received from the last Commission meeting of November 9 through December 9. There have been subsequent communications that are not listed. The Board of Supervisors does something similar. The communications are not on the list for action. She has received criticisms from the public that their letters seemed to have gone unanswered or wondered if their letters have been received. She thought it would be appropriate to highlight them going forward. If this meets the Commission's approval, she'd like to include this item on the calendar going forward. The Commission concurred.

4. MARITIME

A. Informational Presentation regarding Cruise Ship Discharge Report Program.

Michael Nerney, Maritime Marketing representative, indicated that the Port formed the Cruise Ship Environmental Advisory Committee (CTEAC) in September 2003 to advise the Port Commission regarding cruise ship water and air quality issues. CTEAC is comprised of cruise line representatives, regulatory agencies, environmental organizations, organized labor and community groups. CTEAC has met 12 times over the past 14 months. In April 2004, based on CTEAC recommendations, the Port revised its cruise ship berthing application form to include a provision prohibiting discharges of ballast, wastewater and fuel into San Francisco bay. Each ship is required to submit a cruise ship discharge report (CSDR) for each call. Staff believes this is the most stringent environmental policy for cruise ships in the United States. There have been 70 cruise ship calls at the Port of San Francisco since May when the Port adopted the CSDR program. All 70 of the vessels complied with the non-discharge provision of the berthing agreement. There were no discharges reported and the CSDR forms were filed

THE ... OF ...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

in a timely manner. Attached to the staff report are the berthing application form, the CSDR form and a recap of cruise ship calls since May 2004 relative to their CSDR compliance. This report is available to the public on the Port's internet site and is updated monthly by Port staff. Port staff intends to report back to the Commission on this topic.

B. Informational Presentation regarding Cargo Shipping Activities at the Port.

Peter Dailey, Maritime Director, indicated that the Port of San Francisco has a proud maritime condition and is involved in a number of different maritime industries. The Port is involved in the cruise market, shipping and ferryboats. It is the harbor service center of Northern California. The Port has the largest ship repair yard in the West Coast through North and South America. It is also involved in cargo shipping activities. The Port operates in the container, break bulk, and bulk cargo shipping markets. The Port has three major cargo facilities. The main general cargo terminal is at Pier 80 which a 60-acre general cargo terminal, it handles both containers and breakbulk. The bulk terminal is at Pier 90 and 94. Pier 94 is operated by Hanson Aggregates, one of the Port's largest tenants. In terms of container operations at Pier 80, the Port has maintained in recent years a small volume of container shipping. Dating back to 1991, there was a precipitous fall in terms of container volume at the Port. That hit its nadir in 1995 when two of its last main container shipping companies left, Cosco and Evergreen. They left the Port of San Francisco for the Port of Oakland due to their requirement for large scale of container operations, large intermodal connections, post Panamax cranes and mega terminals. The Port of San Francisco has one 60-acre general cargo terminal at Pier 80. The Port of Oakland has approximately 850 acres of cargo operations. Since 1995, the Port of San Francisco has used a marketing strategy to target smaller container lines that might have gotten lost in the shuffle at the mega ports like Oakland. For a few years, the Port of San Francisco had some growth and success. In 1999, the Port handled about 25,000 TEUs. However, in 2001/02, the Port of Oakland completed another expansion, opened up two mega container terminals with another additional 250 acres. The 3 container lines moved to the Port of Oakland to gain access to the rail and other services not available in San Francisco. Since that time, our container volumes have dropped. In 1999 when the three container lines left, combined with an economic slow down, our volumes remained flat. From 2002–2004, the container volumes have remained somewhat level but not in a great critical mass to cover our operating expenses. The Port has expanded into the breakbulk market in the last two years. The fact of the matter remains that in 2002, 2003, and 2004, the Port lost in terms of operating losses about \$2.2 million cumulatively. In 2002 the Port's loss was \$400,000 and \$1.2 million for 2003. Staff was able to reduce that amount to \$600,000 this past calendar year mainly due to the influx of new breakbulk cargo at the facility. Faced with these continuing operating losses, the Port earlier this year asked its 5 remaining containers to either increase their throughput at the terminal or face higher charges. However, the container lines were not able to increase their volumes nor were willing to pay higher Port charges to offset our significant operating deficit. The increases recommended to the lines were not that significant in terms of per container rate however, due to Oakland's capacity, they were able to negotiate lower rates than what they are currently paying in San Francisco. The container lines will leave San Francisco at the end of this year. The carriers believe that Oakland will offer greater

4. The fourth part of the document discusses the implications of the findings. It suggests that the results have significant implications for the field of study and may lead to further research in this area.

5. The fifth part of the document provides a conclusion and summarizes the key points of the study. It reiterates the importance of accurate record-keeping and the need for ongoing research in this field.

6. The sixth part of the document includes a list of references and a bibliography. It cites various sources that have been consulted during the research process.

7. The seventh part of the document contains a list of appendices and additional information. It includes a detailed description of the equipment used in the study and a list of the personnel involved in the research.

8. The eighth part of the document provides a list of figures and tables. It includes a detailed description of each figure and table and its location within the document.

9. The ninth part of the document contains a list of footnotes and additional information. It includes a detailed description of the methods used to collect and analyze data and a list of the personnel involved in the research.

10. The tenth part of the document provides a list of references and a bibliography. It cites various sources that have been consulted during the research process.

economy of scale and intermodal connections and consolidation of other services to justify their move. In 2004, the Port of Oakland handled nearly 2 million container, San Francisco handled 13,000 containers. The expense of operating a full-scale container operation with only 13,000 containers cannot be sustained at either current volume or current rate levels. Port staff has, in recent years pursued the breakbulk market and had some success. In addition, the Port Commission and staff made a strategic decision a couple of years ago to turn Pier 94 built as a container terminal into a bulk cargo terminal.

Jill Simpson, Maritime Marketing Manager, indicated that staff has had some success in the breakbulk market. Oakland closed their last breakbulk terminal in 2002 and Port staff aggressively pursued that business. In 2004, the Port increased its breakbulk tonnage by 124% over the 2003 tonnage. Staff anticipates ending the year with over 220,000 tons. The commodities that are handled at Pier 80 include machinery and project cargoes, newsprint, lumber and steel. 81% of the breakbulk import was steel, the Port's major commodity. 2004 was a great year for steel. Consumer demand was up, building was up and the domestic steel mills couldn't handle all the need for the United States. Staff does not foresee this dramatic increase in 2005; however, it expects the market to remain strong. Staff is projecting a small growth of 2-3%. Most of the steel and lumber commodities are tied into the construction market. This complements in turning the Pier 92/94 corridor into a construction oriented terminal. Our bulk cargo market has also been successful. Of note, Pier 94 used to be one of the container terminals. Staff was able to convert it into a profitable bulk cargo facility run by Hanson Aggregates. In 2004, Hanson will be the Port's #2 customer overall. They are bringing in revenues of over \$1.8 million and slightly over a million tons of cargo. This market is expected to remain steady and staff projects a 2-3% growth in 2005 approximately 1.4 million tons in the new year.. The concrete from the sand and aggregate terminals as well as the steel for Pier 80 is supplying many of the San Francisco projects including the Bay Bridge, the Third Street Light Rail, Piers 1 ½, 3 & 5, and the Lucas Center in the Presidio. Staff is doing everything it can to increase the breakbulk and bulk market. Once the Illinois Street Bridge is built, it is going to bring rail back on Pier 80. There is a lot of breakbulk cargo in Southern California. Southern California ports are oversupplied and terribly congested. One of her marketing goals is to go after the breakbulk cargo and bring it up to San Francisco and get them to put it on a rail and rail into the inland destinations in Southern California. This will not only save them time but money. The same thing can happen with the heavy lift in the project cargoes. As container cargo grows in Southern California as we've seen this year and the foreseeable future, as well as Oakland, the smaller container lines will once again be looking for a home. Perhaps, the Port of San Francisco will be in the container trade again once more.

Peter Dailey indicated that staff has had successes in the aggregates, steel, construction materials and it's worth noting that Oakland no longer operates in the breakbulk market. At this point the Port of San Francisco is the #1 breakbulk port in the bay. Oakland is the container port in the bay. Staff believes that this market and breakbulk provides an opportunity to keep the terminal operating by keeping it operating in a fiscally responsible manner. The Port will make money on an operating basis with this marketing plan. The Illinois Street bridge will be a real boon to the Port and staff would

The first of these is the fact that the
the second is the fact that the
the third is the fact that the
the fourth is the fact that the
the fifth is the fact that the

the sixth is the fact that the
the seventh is the fact that the
the eighth is the fact that the
the ninth is the fact that the
the tenth is the fact that the
the eleventh is the fact that the
the twelfth is the fact that the
the thirteenth is the fact that the
the fourteenth is the fact that the
the fifteenth is the fact that the

the sixteenth is the fact that the
the seventeenth is the fact that the
the eighteenth is the fact that the
the nineteenth is the fact that the
the twentieth is the fact that the
the twenty-first is the fact that the
the twenty-second is the fact that the
the twenty-third is the fact that the
the twenty-fourth is the fact that the
the twenty-fifth is the fact that the

the twenty-sixth is the fact that the
the twenty-seventh is the fact that the
the twenty-eighth is the fact that the
the twenty-ninth is the fact that the
the thirtieth is the fact that the
the thirty-first is the fact that the
the thirty-second is the fact that the
the thirty-third is the fact that the
the thirty-fourth is the fact that the
the thirty-fifth is the fact that the

the thirty-sixth is the fact that the
the thirty-seventh is the fact that the
the thirty-eighth is the fact that the
the thirty-ninth is the fact that the
the fortieth is the fact that the
the forty-first is the fact that the
the forty-second is the fact that the
the forty-third is the fact that the
the forty-fourth is the fact that the
the forty-fifth is the fact that the

be able to market this facility. Staff was able to market to the breakbulk market effectively without on-dock rail. This issue is a difficult one for staff. Staff has discussed this matter with various community groups, the Maritime Commerce Advisory Committee (MCAC) and Southern Waterfront Advisory Committee (SWAC). Everybody understands the market that we're after is the breakbulk and bulk market. The Port is not against handling containers in the future if they can be handled with the existing facilities. The Port is not turning away container lines but staff wants to make sure that it is done in a financially responsible way. As we enter 2005 staff projects good growth in the breakbulk cargo and anticipates handling close to 200,000 tons.

Commissioner Hsu announced that public comments are limited to three minutes. Members of the public cannot share or give up their time to another speaker.

David Gavrich, LB Railco, the current rail operator for the Port, operates the intermodal transfer terminal along Cargo Way at Third Street. He is a member of the SWAC and MCAC. He reiterated Mr. Dailey's comments that the issue of dwindling viability of container business at the Port has been on the agenda for both of the committees in the last year. Port staff has discussed this issue very openly and forthrightly to the advisory committees. Throughout that informational process, the feedback has been valuable for the committees. There has been an acceptance of the realities of the business environment with regard to intermodal traffic. There is also an equal amount of excitement about the concentration on what the Port considers its long suit i.e. the breakbulk and bulk business. It puts the emphasis on what the strength for the Port is. As a member of the MCAC and SWAC, he personally thinks it is the right direction for the Port to go in. As the rail operator, they will be supportive once the Illinois Street Bridge is built and are very enthusiastic about the opportunities in the future.

Jim Wiltshire, Pacific Network, Inc. indicated that he has been involved in the steamship industry for many years. He has been associated with the Port's operations at Pier 80, Pier 92, 94 for the last 10-12 years. Generally speaking it is extremely difficult to combine breakbulk and the container operation at one facility. Different staffs are needed as well as different equipment and in today's world, different electronics. Electronics is a very expensive part of the operation. He fully concurs and agrees with the Port's study about concentrating on the breakbulk operations. The breakbulk operations are reaching capacity at Pier 80. Once you get too many you lose the economy. While the containers are indeed considered by any Port to be the best revenue cargoes, the Port has to have and must have sufficient volumes to reset economy scale. The industry is dynamic, things will change for certain. At the moment, tremendous volumes are inundating the LA Basin area – Ports of Long Beach, Los Angeles and San Pedro. A lot of the container volumes, the overflow, the excess, is moving to other ports - Ports of Oakland, Tacoma, Seattle and Portland. It's inevitable that won't happen while at the same time, the trucking requirements and the extreme volumes are stretching the terminals to capacity. In the meantime, the port must think about the cargo that must move in intermodally by rail. The American Transcontinental rails are at capacity and they are being overwhelmed with containers. He recommended that the container cranes be kept available. In the meantime, breakbulk can indeed be very profitable, provided the Port has proper management and equipment. The team that manages Pier 80 is going to have to be a very experienced, cost conscious and service

minded group of people. With regard to bulk at Pier 92, 94 and 96, he recommended not to mix bulk cargoes with other breakbulk cargoes the same was as not mixing automobiles with iron and steel.

Joe Boss understood Mr. Dailey's and the other speaker's comments regarding container cargo. However, whenever the Port moves away from maritime operation, it needs to reflect on the impacts on jobs in the city. We also have to acknowledge that the Port's roots is in maritime and shipping and we rely on the need for maritime and maintenance of the facilities when we allow offices or non-State trust uses to be put on our properties. He is not criticizing the fact that we are going to cease container operations. We need to make sure that whatever facilities are needed to make it a home run breakbulk or neobulk facility that the Port is prepared to make those changes and improvements. We need to be cognizant of the throughput or capacity at Pier 80.

Henry Graham, ILWU Local 10 President, addressed the breakbulk facility at Pier 80. The breakbulk facility in Oakland is closed. Pier 80 is the ideal breakbulk facility and the only one left besides the one in Richmond which can't hold the capacity of the breakbulk that Pier 80 can hold. Pier 80 can accommodate the mixture of cargo, lumber, steel, paper, etc. With the retrofitting of the bridges, it's in a centrally located facility and ideal for breakbulk cargo. It also brings in revenue and more jobs. More jobs are created on breakbulk vessels than on container vessels. There are gangs on breakbulk ships and it brings in more jobs and more revenues. It's ideally located at Pier 80. He's in favor of keeping Pier 80 completely open.

Commissioner Hardeman commented that a month before he came on the Commission in 1994, Evergreen cancelled their contract with the Port. All those years that the Port has been trying to maintain its containers, it has come to a point where many million dollars later, we can't keep the terminal open. The Port will do what Mr. Graham and Mr. Boss suggested about going after breakbulk jobs. Jill Simpson will go to Southern California and pursue the breakbulk business for the Port of San Francisco.

5. ENGINEERING & MAINTENANCE

A. Request to award Construction Contract No. 2687, "Pier 43 Ferry Arch Improvements," to Power Engineering Contractors. (Resolution No. 04-97)

Joe Roger, Structural Engineer and Project Engineer, requested Commission's authorization to award Contract No. 2687 to Power Engineering Contractors, Inc. in the amount of \$721,900. Port Engineering previously bid this contract last fall and received three bids; each of which was rejected due to lack of funds. Port staff then secured additional funds, repackaged the bid items and rebid the project. Through these efforts, it resulted in the contract bid price decreasing over \$100,000 from the original bid price. The Human Rights Commission has designated Power Engineering the lowest responsive, responsible bidder. Funding is provided by a Federal Highway Administration Grant and Port Capital Funds. Mr. Roger requested the Commission to authorize the award of Contract 2687 to Power Engineering in the amount of \$721,900 and further authorize staff to increase the contract sum by 10% if needed for

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1862. It is a very important document, as it contains the President's views on the state of the Union and the progress of the war.

2. The second part of the document is a report from the Secretary of the War Department, dated January 10, 1862. It contains a detailed account of the military operations of the Army during the year 1861, and also a statement of the condition of the Army at the beginning and end of the year.

3. The third part of the document is a report from the Secretary of the Navy Department, dated January 10, 1862. It contains a detailed account of the naval operations of the Navy during the year 1861, and also a statement of the condition of the Navy at the beginning and end of the year.

4. The fourth part of the document is a report from the Secretary of the Department of the Interior, dated January 10, 1862. It contains a detailed account of the operations of the Department during the year 1861, and also a statement of the condition of the Department at the beginning and end of the year.

5. The fifth part of the document is a report from the Secretary of the Department of the Treasury, dated January 10, 1862. It contains a detailed account of the operations of the Department during the year 1861, and also a statement of the condition of the Department at the beginning and end of the year.

6. The sixth part of the document is a report from the Secretary of the Department of the Army, dated January 10, 1862. It contains a detailed account of the operations of the Department during the year 1861, and also a statement of the condition of the Department at the beginning and end of the year.

unanticipated contingencies. Staff also recommends that the Commission authorize the Executive director to accept the work once it's complete.

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 04-97 was adopted.

6. PLANNING & DEVELOPMENT

A. Request approval of Amendment to Exclusive Right to Negotiate Agreement with International Museum of Women for the development and long-term lease of Pier 26 located on The Embarcadero between Harrison and Bryant. (Resolution No. 04-98)

Kari Kilstrom, Planning & Development, indicated that the Port has a two-year Exclusive Right to Negotiate (ERN) agreement with the International Museum of Women (IMOW) for the long-term lease of Pier 26. Pier 26 is a historic finger pier located directly below the Bay Bridge on the Embarcadero. The ERN agreement expires in about six months. She requested an extension of the ERN. She provided the Commission the progress made to date and the reasons for recommending the extension of the ERN period. The first major item of work that was undertaken during the ERN period was the museum's due diligence investigation of the pier including preliminary structural evaluation to determine the cost of constructing the project. This was completed in December 2003. The second major item of work was the revised development plan and program that was submitted before August 2004. A large component of the revised development plan was further engineering analysis of the pier. Based on these studies to date, the museum estimates a total project cost of \$138 million, about \$20 million of the cost is for seismic improvements required by the Building Code whenever a change in use is proposed. At this juncture, the museum is interested in reducing the overall cost of the project and has requested an extension of time to analyze alternatives to the proposed development plans, resolve cost issues and work with the Port to identify mutually acceptable revisions to the project. Port staff is interested in gaining a better understanding of the overall financial viability of the project including other income generating uses that might be included in the program and the design concepts for development of the pier in order to determine whether the project will meet the Port's long-term objectives for development. She requested Commission's approval of the amendment to the ERN that staff believes satisfies both the Port and the museum's interest. The amendment provides an extension of the ERN term by four months from June 24, 2005 to October 31, 2005. In exchange for granting this extension, staff is proposing a number of amendments to the ERN agreement outlined in the staff report. Exhibit A to the staff report outlines the amendments to the performance benchmarks in the ERN. Benchmark #2 calls for a submittal of a revised project proposal which include several items of information that the Port routinely reviews as part of any development proposal on Port property. The materials to be submitted are described in further detail in Exhibit C. Exhibit C is useful because it provides greater clarity as to the Port's expectations about the information required to evaluate the project. Most of the items are generally required in the Port's RFP with the exception of the museum's operating plan which has been tailored so we can learn more about the new museum's operations in particular because this will be the primary

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

THE HISTORY OF ARTS

use proposed for the pier and must be capable of supporting the Port's rent requirements. Janice Thacher, the museum's project manager will outline the work that the development team will be undertaking during the next 7 months in order to prepare a revised project proposal by July 29, 2005.

Janice Thacher, manager for Pier 26 project, indicated that the intention, although there are milestones along the way, is to meet regularly with staff and work on a very interactive basis with staff. She thanked staff for the cooperation and help they have provided over the period of time. The process is broken down into two main parts. Between now and April 1, 2005, there are several tasks they need to complete. They will begin with further geotechnical analysis of the pier that will help them to better understand the structural conditions of the pier, specifically the embedment of the piles. One of the things they found during the due diligence process was it appears from the information they have to date that the embedment of the piles is not where they would like it to be and that has caused the cost to increase significantly. They have scheduled further geotechnical work to begin in December 20, 2004 to do field testing of the soil to further understand the embedment. This becomes critical input for the further engineering analysis. The engineering analysis will involve testing the base case which is the system as it is currently designed with this new information and then going back and testing at least one or more further alternatives with the goal of reducing cost. That work will occur in January and February 2005. During this period, they will also be revising the museum's operating plan. The revised program of uses and space allocations is currently being finalized based on the completed museum concept plan. A consultant will take this program and complete a thorough study of the viability of the plan including comparable museum statistics and update the cashflow of forecast for the operation of the museum. Based on the revised program, they will further study the sublease space to balance the compatibility with the museum, entitlement considerations and income contributions. When those tasks are completed, they can begin the next step which involved further concept plans and completion of the development program but the information they do prior to the April 1st date is essential in order to commence with that process. The architects will take that information and begin the revised conceptual planning process which they estimate will take three months to complete (April – June, 2005). During this time period, the revised development program will also be completed. This information falls out of the pre-April scope of work. Everything comes together in July when they finalize the budget and cashflow. They will be testing those along the way but at this point they will have their outline specifications complete so they can do a final cost budget and complete their cashflow. This revised development program is due on July 29, 2005. Over the next several months, Port staff will analyze that information for presentation to the Commission.

Kari Kilstrom indicated that when the revised development proposal is submitted at the end of July, Port staff will need time to evaluate the project in preparation for Port Commission's review. Staff is recommending several other amendments to the ERN to facilitate Port's work during the three month-time period. First, Port staff will participate in the early review of the development plans. This will ensure that there are no major surprises in the July submittal. Second, the museum will pay for the Port's consultant expenses. Given that new engineering solutions may be proposed and there

The first of these is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The second is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The third is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The fourth is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The fifth is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The sixth is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The seventh is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The eighth is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The ninth is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The tenth is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The eleventh is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

The twelfth is the fact that the
government has been unable to
obtain the necessary funds to
carry out its policy.

may be unique financial consideration involved with a new museum anchored development project, Port staff will seek as-needed consultant services to assist with its analysis of the project. Based on past experience, the total fees are not expected to exceed \$50,000. The museum has agreed to pay to a payment structure to cover any consultant cost up to this point. After Port staff has evaluated the revised project proposal, a public hearing will be scheduled to allow the Commission to review the proposal and consider it for endorsement. Port staff and its consultants can do this work within a three-month time period. As a result, staff is recommending an ERN termination date of October 31, 2005. The ERN amendment will not include any options to extend the ERN term beyond the October 31, 2005. Staff recommends approval of Resolution No. 04-98.

Chris Yelton, International Museum of Women President, thanked the Commission, the Executive Director and exemplary staff for their cooperation in the process. She shared the exciting progress the museum has made and reiterated why Pier 26 is the choice site for the museum, the City and the Port. They have accomplished several things in terms of their fundraising efforts as well as increasing their visibility in the City and delivering programs that benefit men, women and children in San Francisco and across the Bay Area. First, and the opening of their first exhibit called Celebrating Women All Over the World at the One Market Concourse. They opened the exhibit with an incredible gala which is sold out to 390 people. The gala increased the momentum in the visibility of the museum in San Francisco. She invited the Commission to visit the exhibit. It closes on December 17. Relative to programming, they delivered educational programming to over 5000 children in the bay area. From a public programming perspective, this year they launched their public speaker series, called Extraordinary Voices Making Extraordinary Changes. It incorporates world-renowned social activists that discuss how women and empowerment can be achieved. In November, they welcomed Isabel Allende and Doctor Jean Shinoda Bolen in conversation around women, the topic of empowering women on the global scale to sold out audience of 370 people. Lastly, on the programming front, they received incredible news about their 2006 project, Imagining Ourselves, which seeks to unite a generation of women around the world ages 20-35. They received an offer from National Geographic to publish the anthology for this important project as well as invitation from the United Nations to exhibit this project in late February at the 49th session of the Commission on the Status of Women around the world. They will be exhibiting this project in New York City from February 28 to March 11. Relative to the site, they have made progress with the exhibit concept plan as Kari and Janice mentioned. As well, they are working through the final step of selecting their exhibit designer. No conversation is complete without a little bit of information on fundraising. They are a public/private entity. On the public front, they received news two weeks ago that they received federal funding this year for \$591,000. As well, they received much support locally from the private sector such as Wells Fargo, etc. The momentum has been excellent. They are proud to be on this pier and look forward to taking this amendment forward and successfully meeting the proposed milestones.

Deborah Frieden, Building Committee Chair of the International Museum of Women and project director for the new de Young Museum and project director for the rehabilitation expansion of the California Palace of the Legion of Honor, indicated that

the building committee oversees the management of this project on Pier 26 on behalf of the board. Planning cultural institutions are unlike any other activity. The organizational development, the content development, the fundraising activity and the technical aspects of undertaking, the architectural engineering all have to run concurrently. She knows too well how long and complicated these process are for cultural institutions. She appreciates the Commission's support in helping them do what is an essential process to ensure that this project is fiscally viable and absolutely the best product for the Port and San Francisco. This extension of time is essential to demonstrate to their donors who are committing significant sums that cost management is absolutely part of their project and they can deliver the project on time and on budget. They very much appreciate the Commission's and the staff's assistance in this matter. The additional product that they will be producing is important. It helps both the Port in evaluating their proposal and the museum itself.

Ernestine Weiss was impressed with the museum's proposal. She urged the Commission to approve it. It sounds like there are qualified people behind the project. Their ideas are excellent. It would be a great thing for the Port and the City and will bring a lot of visitors and create revenues for the Port.

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 04-98 was adopted.

B. Request approval of the Work Product Provisions with Stanford Hospitality, Inc. for the Embarcadero Hotel Project at Broadway on Seawall Lots 323, 324 and 322-1. (Resolution No. 04-99)

Jennifer Sobol, Planning & Development, indicated that staff is seeking Commission's approval of the work product provisions of the ERN with Stanford Hospital for the hotel project. At an earlier meeting, the Commission approved an extension for the ERN through November 30, 2005 with Stanford subject to review and approval by the Commission of the work product provisions. On August 31, 2004, staff presented the work product provisions. At that time, the Commission continued the hearing on that matter for approximately three months and encouraged Stanford to develop, implement and engage in a community outreach process and to report back to the Commission on its outreach efforts. During the past 90 days, Stanford has done community outreach and has met with community members as outlined in the staff report. The purpose of the provisions is to provide a mechanism for the delivery of the work product project materials such as reports, design drawings and studies that are generated by Stanford's consultants for this hotel project. This mechanism is described in detail in the staff report and Exhibit 1. Under the provisions, the Port or its nominee (i.e. new developer) would receive at no cost, various studies, reports, applications, permits and other Project Materials that Stanford's consultants have generated for the hotel project. However, the architectural drawings will not be free of charge. The Port will work out an agreement with any new developer to provide for a document release fee which is a fee that Stanford would be required to pay to its architect to release those documents and there would be payment for the actual cost incurred by Stanford for those architectural drawings. This would be in the event that Stanford abandon the project or

withdrew or the ERN expired without execution of the development agreement. If the Port were to enter into negotiations with a new developer, this is a way to obtain some of the materials that have been generated for this project.

Jane Winslow, community outreach consultant with Stanford Hospitality, indicated that at the August 31, 2004, the Commission asked for a review of the outreach they have been engaged in during the past three months and about their plans for ongoing outreach. On September 22 and November 10, 2004 they met with the Waterfront Action Group and its representatives of the Telegraph Hill Dwellers, Golden Gateway Commons, Golden Gateway Apartments, and the Northeast Waterfront Advisory Group. At these meetings, they had a healthy exchange of project information and neighbor's concerns. She believes that the participants got a clearer picture of the current project, the process that Stanford is going through, requirements from various jurisdictions, etc. and they have gained a clearer understanding of their concerns. With the assistance of Port staff, they have complied with the neighbor's request for various documents, minutes, etc. that relate to the design and process over the past four years. On November 25, 2004 representatives from the Golden Gateway Commons met in the architect's office to discuss photomontages depicting the building, view corridors, comparative building heights, etc. Additional board illustrating views are being prepared in light of the concerns discussed at that meeting. They hope to have the additional studies of view corridors available at a January 2005 meeting with WAG. On November 29, 2004 they held a public meeting attended by approximately 80 people. Over 1300 notices were mailed to groups, residents, businesses and interested parties. Additionally, the THD notified their members via email. Approximately a third of the attendees had not seen the project before. They have reached some new people. During the presentation by Port staff and Stanford representatives, the Port and City processes were outlined, background was given on the last four years of the development and the architect presented the hotel in its current design. An hour of lively discussions and questions followed. They felt that the meeting was successful in that up-to-date and accurate information on the project's design was presented to the neighbors. The neighbors were able to express their concerns and asked specific questions about the hotel. They understand that view, traffic and noise impacts are of concern to these neighbors. In November, they also met with the Fisherman's Wharf Advisory Group and the Fisherman's Wharf association. The wharf association voted unanimously to support their project. The endorsement letter was sent to the Commission along with seven other letters of support from people they have contacted. Outreach plan for the next few months includes additional meetings with WAG and the Telegraph Hill Dwellers to further analyze new information that will be available regarding view impacts, the historic appropriateness of the building design, etc. This project is of interest to the residents of San Francisco. They are obliged not only to listen to neighbors but to inform others about their project and gather their input. They have presentations scheduled in January with the North Beach Chamber of Commerce and with SPUR and will process the information received from those groups. They are currently reviewing the information they gathered and are designing future outreach activities. They will evaluate possible changes with the Port in light of mutual financial feasibility concerns. As new information is available, they will continue to outreach to interested parties. The project must go through a thorough environmental impact review process. Impacts such as traffic, view corridors, building height, noise, safety are being

thoroughly reviewed. The project will be reviewed by the Port Commission, the Planning Commission and the Board of Supervisors. During the upcoming yearlong process, there will be opportunity to make design changes, should they find they are financially feasible for the Port and for Stanford.

Lawrence Lui, President of the Stanford Hospitality, indicated that Ms. Winslow has given the Commission a very thorough summary of their outreach efforts. He thanked Port staff and all the community members for participating and organizing the recent community meetings held for this project. He reiterated that they have plans for ongoing outreach as outlined by Ms. Winslow. They are still working with several community groups. They will work with their consultants, in particular, the Port staff and their advisors to study the project design that can address the community concerns while maintaining financial feasibility of the project for the Port and the developer. Some community members today will express their concerns and call for project changes. From a point of view, the project design is not before the Commission's consideration today. He asked that the Commission not make any decision on that particular issue. He believes that the project material provisions should meet the Commission's approval and they have fulfilled and will continue to fulfill the Commission's request for community outreach process. Given these facts, he requested Commission's approval of the ERN without any conditions.

Commissioner Hsu reiterated that the Commission is not considering any design issues on this project today. They are only considering whether or not to accept the condition of approval that has already been extended a few meetings ago. The Commission is only voting whether or not they are accepting the language on the work product.

Diana Taylor, Waterfront Action Group (WAG), indicated that she is speaking on behalf of the community action plan not on the design issues. She thanked the Commission for delaying the process to allow Stanford to meet with the Golden Gateway Neighborhood. Although the 90 days is up and there's only been one community meeting. They have not seen any substantive changes in the hotel design based on the major neighborhood concerns of height mass, and historic district compatibility. Stanford presented the same plans at the meeting that was presented in August 2004. Based on information they heard at this meeting, WAG is very concerned. There was an overwhelming community criticism of the hotel's height and mass. When asked directly about their willingness to make design changes, Stanford was silent or responded that these issues will be taken up in the EIR process. They know that the Commission's action today is to vote on the work product resolution. There are two issues they believe should be addressed by the Commission. One is a bait and switch by the developer. They agreed to the terms set out in the RFP in 1998 even though their own consultants concluded that they could build a financially feasible hotel under the RFP specifications. They arbitrarily changed the design in 2004 in violation of the RFP and planning code criteria. They believe that the RFP is part of the work product. The Waterfront Design Advisory Committee has exceeded its authority. This is the Port's Advisory Group. They pushed an agenda to increase high-rise development on the northern waterfront. They are disregarding authorized review criteria. After today, there will be no incentive for Stanford to make any design changes. The Planning Commission rarely make any design changes, deferral to the

Planning Department and the EIR process today sends a message of Port Commission support of this flawed design. In her work, she conducts research under large government grants. If she's not accountable to the original RFP and review oversight committees, she cannot continue a project. How is this project where the public's interest and public's trust is involved able to continue under non-compliant conditions?

Monica St. Geme, WAG and resident of Golden Gateway neighborhood, member of the NEWAG and member of the Waterfront Action Group, indicated that in 1998, she was a member of the public through the meetings of the Broadway Advisory Group which developed the RFP for this project. It was a great privilege to be invited on NEWAG. She realizes that the Commission is considering work product today but she's addressing in part, community outreach, that the Commission directed Stanford to take three months ago. She was involved at some level in the planning of the community outreach. They are not necessarily opposed to the development on this site but they believe that the design is an integral part of the decision making. They have great respect for Port staff and they now know the constraints and the parameters under which they work. At the community meeting arranged by Stanford attended by 80-90 people, there was enormous anxiety expressed about the design elements of height and mass. She talked about compliance with the RFP and she quoted specifically that the RFP states that the advisory group has specifically recommended and the Port is requiring that the project not exceed 65 feet in height anywhere on the site. Accordingly, maximum limit along the Embarcadero is 40 feet and the 324 SWL at Broadway and Embarcadero will be stepped down from 65 feet at Davis to 40 feet along the Embarcadero. These requirements were later counter-minded by the WDAC and the Planning Department. There is no explanation for these decisions and they are of great concern to the neighborhood. Lack of compliance of these guidelines continues to be of great concern to the entire neighborhood.

Nan Roth, Telegraph Hill Dwellers (THD), Waterfront Plan Advisory Board and NEWAG member, indicated that she's representing the THD who have been working with WAG to bring this project into compliance with historic district guidelines as well as Port policies. The THD and WAG have been working very closely together for a number of months and do not disagree on any issues even though it has in the past been said that they can't answer to two different entities. They are on the same page on everything and have been from day one. Jane Winslow did not address the concerns raised on November 29 regarding regulatory compliance. She expressly addressed the Waterfront Design Advisory Committee's (WDAC) role which is clearly spelled out in Planning Code Section 240C(6) & (7) as follows: Make design recommendations to ensure that the urban design of the proposed project is consistent with applicable provisions of the Waterfront Land Use Plan's (WLUP) Waterfront Design and Access Goals Objectives and Criteria. It also states that they must review the environmental review documents. That is all they are authorized to do. Nowhere does it say that there is any provision or authorization for the WDAC to deviate from this criteria. The Planning Code further defines criteria for review by BCDC if required and the Planning Department is similar in structure as the provisions for review by the WDAC. She added that the 40-foot provision as found in the RFP is the same as that found in the WLUP's Design & Access Elements, the guidelines and article 10 of the Planning Code applicable to the Northeast Waterfront Historic District as well as the policy in the

Northeast Waterfront Special Area Plan within which this project falls under. She urged the Commission to acknowledge this issue and address it. They feel that the WDAC has acted outside of its authority, yet it has thrown a monkey wrench into this whole thing because the developer claims he cannot make any modifications to this project because the WDAC has ordered them to design the building in the fashion that it's in. She also addressed the role of NEWAG in this process i.e. it is not carrying out its responsibility. It, too, is confined to reviewing these projects based on the criteria found in the Design and Access Plan.

Jonathan Middlebrook, resident of the area, indicated that he was not aware that the Commission is only considering the work product matters today. It seems to him that the Port has plenty of its own criteria by which to require Stanford group to modify their design considerably. The WLUP, the Broadway Site Advisory Committee, the Northeast Historic District, all of which are groups with considerable citizen input. They all seem to agree on phrases like low scale development, new construction and conformity with existing construction, protect and frame near and distant views to and from the bay. These are all terms subject to debate and manipulation. Overall, there seems to be a consensus that there should be a 40-foot to 65-foot step back design. Yet, Stanford project keeps resurfacing with an 84-foot fin sticking up in the air. He would like the Commission to consider that most of its own advisory groups is recommending a 65-foot step back design. This fin on top of the blockhouse keeps showing up. He urged the Commission to consider the public trust to include the aesthetics for the visitors and residents of the City. The Telegraph Hill has a lovely view; don't bust it up with a fin.

Fred Allardyce indicated that they expect that the Commission will approve the work product document. They are here to set a basis as to why they are so enthused about this building not coming into fruition in its present form. As the Commission knows, this area has gone through a tremendous transformation in the last 20+ years. The whole construction of the freeway in the first place and it resulted in the 84 foot zoning that came along with it as well as the eventual modification to the freeway and partial removal of it has ended up with an incredible fabulous north central waterfront area. There isn't one San Franciscan or Californian that isn't tremendously proud in the rejuvenation of this whole area. Yet, there seems to be something lurking in the background. The City has yet to change the zoning that encourages rebuilding of the Embarcadero freeway. The zoning not only exist on the parcel that the hotel is planned for but it continues along the eastern part of the Embarcadero all the way down towards the Bay Bridge. It seems to be a secret little asset that the Planning Department wants to share with developers to encourage them to go ahead and rebuild the Embarcadero freeway which this hotel will be the first component of the "85 foot" height issue. They would prefer that the Port stood up and say that they don't want to jeopardize all the goodwill they put in the neighborhood with the completion of the Ferry Building, Embarcadero, Herb Caen Way and all the other things that everybody is enjoying by the re-creation of the Embarcadero freeway in the form of buildings.

Felix Rodriguez, resident of Golden Gateway and a practicing architect, believes that that the RFP is part of the work product and as a practicing architect, any time, he gets an RFP, he does not treat it as a goal. He treats it as a mandate on the way his office

project is designed. He believes that staff has totally disregarded that and has passed the product onto the architects whether this one or the one previous. He feels that they have continually pushed their own agenda on having a large monument at the corner of Embarcadero and Broadway. He believes that most architects could design a project to make it feasible for Stanford and can be consistent with the RFP as a stepped design. He does not think that they could necessarily sacrificed the project just because it's stepped. As an architect, he believes that most of them could do this project successfully for the Stanford Group.

Jay Folberg, resident of the Golden Gateway Commons, and speaking for WAG, they are asking the Commission to hold the developer to the height and mass limits that it agreed to in proceeding under the RFP that the Port issued, the 65-foot overall height and the 40-foot height on the Embarcadero. He asked the Commission not to dock and passed this onto the EIR process or to the Planning Commission. To do so would at least imply the Commission's endorsement of the project as currently designed, which is part of the work product. Resolution 04-99 recited specifically within the resolution is the following: Whereas, on August 31, 2004, the Port Commission continued the matter for approximately 3 months because it was not convinced of the value of Exhibit 1. Due to the community opposition to the hotel design vocalized at the meeting and continuing the matter, the Commission encouraged Stanford to develop and implement a community action plan to engage directly with the community to respond to their concerns. The developer has in fact met with community members. They have no evidence that they were listening. There is absolutely nothing before the Commission that indicates that they have responded. It's exactly the same plan as before. There's no response incorporated into what the Commission would be voting for which is the work product that, under some conditions, would be obligating the Port even though it might be reimbursed. The Commission is obligating the Port to pay for very flawed plans that do not comply with its own RFP, do not comply with the requirements of the historic district, do not comply with the WLUP and various other limitations. The Commission is being asked to vote for a work product, a set of designs that the Port may be obligated to pay for or others to pay for. The Commission was rightly concerned a few months ago to question the value of that work product and put a hold on the project until the developer meets with the community, listens and responds. They met but did they listen? They say they're going do things in the future, just trust us, passed it on the EIR and pass it onto the Planning and may be we'll respond but there's no evidence that they have. So what's the purpose of this delay? The Commission should not vote for a work product that is flawed. There's no more reason to think that it's a value now than it was three months ago because it's unchanged. He asked the Commission not send a message of bait and switch or ignoring the community and non-compliance is okay.

Janet Morcom agreed with the other speakers' comments.

Carol Holland Parlette concurred with the other speakers' comments.

Daniel Osborne, a long-time Russian Hill resident, indicated that he has been a resident long enough to witness the formation of the height limit along the waterfront. When he first moved to San Francisco, they watched with some dismay at the destruction of the

east warehouse and the subsequent construction of the Fontana which was the and remains to this day, the eyesore that generated the community response to any high-rises along the waterfront. They have watched the waterfront developed since that time quite successfully with a number of ongoing concerns that meet the demands of the recreation visitors to San Francisco. The hotels in the waterfront area, Ramada, Hilton, Sheraton, Holiday Inn, Hyatt, all of them are quite successful operations and all comply with the height limits that had been established by the community in support of keeping it a viable community. He would like to express his hope that the Port Commission will acknowledge those height limit regulations that have guided this development so far.

Maria Matson, resident of Golden Gateway Commons (GGC) and member of WAG, moved to Northern California about 5 years ago. They decided on the City and loved the GGC area because it had a sense of community. They heard about the proposed hotel, the proposed affordable housing and have always maintained an interest in the project. Her main interest right now is the hotel. The Broadway family apartments will be breaking ground sometime next year. They had many community meetings and they had also worked with architects, having them to get a project that would fit into the neighborhood. They were very concerned about it and they have put in three buildings that abide by the proposed height limits and stepped down on the Broadway and Battery corridor. It was interesting that one architect can do that. Since there's time, she hopes that we can think of a redesign that would go into the RFP. She enjoys the neighborhood she lives in. She came across an article about a project for public space newsletter where they were talking about best neighborhoods. North Beach was third in the nation. Great neighborhoods are rarely shaped by big developments, master plans, design standards, streetscape improvements or district management agenda. Nearly every neighborhood has a capacity to evolve into a good space. This happens when local people feel a growing sense of ownership which extends beyond property lines to include informal partnerships with others living in the neighborhoods. Stanford is listening to what prospective neighbors are saying about keeping the Gateway Commons a good place. They should be adhering to the terms that have been agreed upon in the original RFP in 1998. She urged the Commission and the developer to start the partnership with others living in the area on the right foot and the proposed 84 feet height is not acceptable.

Clifford Waldeck, Waldeck Office Supplies, indicated that they have been in the neighborhood for 51 years. He is in favor of the process moving forward. He has seen the tentative and early plans for the hotel. Their neighborhood store needs a boost. There are a lot of empty space around. For his own business, having a low impact place like a hotel where people from the hotel will work in the residential stores on the way to Chinatown or North Beach, this project is a good project to have. It's been a parking lot for a long time. He knows it's under the Port's directive to have some sort of development at that site. He thinks that both Stanford and the Port have worked together in a very direct manner. He knows that there is still more to be worked out. He has never known of an EIR process or a Planning Commission in San Francisco that is a pushover. He believes that the neighborhood and all concerned parties will have plenty of opportunities to chime in to get the correct fit. He urged the Commission to authorize and direct the Executive Director to execute Exhibit 1 of the ERN.

Ernestine Weiss, Golden Gateway Center, indicated that this whole matter has been on shaky ground from the beginning. Ms. Taylor stated the facts of the matter very accurately along with the other speakers. The height is objectionable, the design is terrible and not indicative of the proud area. It's not in sync with the surrounding structures and the Embarcadero. The Commission must realize this before making a decision. This project should be abandoned. The developer had so many years to get their act together and they have not complied with anything. She requested the Commission to disapprove the work product provisions with Stanford Hospitality. It is not working; it will never work. They listen but they don't change their method. The whole thing is a sham and an insult to those who worked very hard on the waterfront to make it beautiful. The 84-foot height limit should be abandoned and this whole area should be rezoned. The design is not pretty. The above ground garage will not work; it should be in the building. She urged the Commission not to approve the work product provisions and start with something else. This is not a project that the Port or the public would be proud of.

Paul Wermer representing the San Francisco Neighborhood Network, indicated that they are not residents of this area. They have members who are representing groups from Bernal Heights to Telegraph Hill, from Potrero to Pacific Heights. Their focus is good governance and good planning. He submitted a letter outlining the two main points. The current hotel design is completely inconsistent with the RFP. It's his understanding from previous experiences with RFP that they define a project. The RFP is a negotiated plan with the stakeholders to say this is where we are going. Such a document was developed. For that to be ignored or overturned by a Design Advisory Committee without coming back to the public betrays the public trust and is not consistent with any principles of good governance or good planning. There was no review process or renegotiation. That is wrong. The second thing that is wrong is that there are conflicting guidelines and height limits in this area; with the zoning guidelines being one way and the waterfront guidelines the other way. When there is conflict, it's truly advantageous because you can pick and choose what you want to do to justify almost anything. There was a management audit of San Francisco published this year that addresses some of these concerns very specifically. He asked that this project be continued under the constraints of the original RFP. If that original RFP is so fatally flawed that the project cannot be a success, then it is incumbent upon the Port to go back to the process of renegotiating with the community, re-establishing a new RFP that is compatible with the Port's requirements and the community requirements.

Cynthia Woods, resident of the Golden Gateway Commons and member of WAG and a 4th generation San Franciscan, indicated that her grandmother, Mrs. Paul Fay was one of the original founders of San Francisco Beautiful. This has been a family interest. Four generations of her family have spread out throughout the City. She is very distressed because she remembers her family working to keep to the 40-foot height limit and found out that the Port is doing 84 feet. This is the Port's opportunity to stop the silliness. She recognizes the fact that there has to be development in San Francisco. There must be thriving businesses in San Francisco. We've all lived off the wonderful beauty and wealth of San Francisco but the Port has been given an opportunity. The freeway came down. The Port has done wonderful things; there's a beautiful boulevard, the Ferry Building. The Port is going to make a big mistake. The Port is going to take

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The second part of the report deals with the specific details of the country's development. It is a very detailed and comprehensive study of the country's development. The third part of the report deals with the specific details of the country's development. It is a very detailed and comprehensive study of the country's development.

The fourth part of the report deals with the specific details of the country's development. It is a very detailed and comprehensive study of the country's development. The fifth part of the report deals with the specific details of the country's development. It is a very detailed and comprehensive study of the country's development. The sixth part of the report deals with the specific details of the country's development. It is a very detailed and comprehensive study of the country's development. The seventh part of the report deals with the specific details of the country's development. It is a very detailed and comprehensive study of the country's development.

The eighth part of the report deals with the specific details of the country's development. It is a very detailed and comprehensive study of the country's development. The ninth part of the report deals with the specific details of the country's development. It is a very detailed and comprehensive study of the country's development. The tenth part of the report deals with the specific details of the country's development. It is a very detailed and comprehensive study of the country's development.

away the views. Think of everybody who comes down Broadway and they come down as the hill goes down and the whole bay opens up. The Port wants to take away some of the beauty of opportunity they have been given. Please turn this project down or at least put it into the community. They had the community meetings. Nothing has come out of it. As a fourth generation San Franciscan, this is not productive for the City. Let the City and people of San Francisco keep their views. Keep it in a context of 40 feet which the City voted on and what the City put itself on. Views are important to San Franciscans. If the hotel gets built, the density of the neighborhood will be affected by the hotel. He urged the Commission not to approve the project.

Commissioner Hsu invited the project sponsor and Dan Hodapp to answer questions about inconsistencies in height limits and variances to the RFP.

Dan Hodapp, WDAC, indicated that he is one of the three members on the WDAC. There is a history behind the height of this building, it's development at 65 feet. He considers this to be a mid-point in the design of this project. The role of the WDAC is to provide input to the applicant or the developer for shaping a project description that could be evaluated in the EIR. The WDAC has looked at this project several times. It has looked at a project that is stepped at the roadway and it's tried to integrate the larger picture of the urban design of the waterfront into the design of the building taking into consideration the views from surrounding hillsides, views from streets, neighborhood concerns, the context of the adjacent buildings, the context of the width of the road and the architecture around it. They have asked the developer to instead of creating tiered building to create one that presented itself with its full height, meaning a height of 65 feet instead of a height of 40 that had a short step back and then went to 65 feet. They made that recommendation and they felt it was consistent with what was in the WLUP and Design and Access Element. Upon further review, they feel that the criteria that was listed in that element requires review by the Port Commission for determination if that is consistent. They look forward to that review and interpretation as it goes on. They heard a lot of concerns at the community meeting. At that time, he was the only member of the WDAC present. He was not in a position to offer changes to the public and the developer was not offering any changes at that point. He understands the frustration from the community heard today. It's valuable for him to hear it. It's going to be valuable for other members to hear it as well. If the Commission chooses to continue this process forward, he looks forward to taking the direction from the Commission and comments from the community and exchange and a dialog that results in a building that is acceptable for all parties that is consistent with the plans and that is appropriate for the context of this neighborhood and the waterfront as a whole.

Commissioner Hsu indicated that there were a lot of comments about the inconsistencies of the project in relation to the RFP. He asked Ms. Rhea to elaborate on that.

Teresa Rhea, Real Estate Planning Strategies, project planner for this project, replied that the community has singled out part of the RFP with which they take issue. The RFP includes a range of planning, design and financial objectives. Not all of which can be accomplished. For example, one of the financial objectives is to maximize revenues to the Port. There are tradeoffs that were implied by the RFP and are normal in an RFP

design issues because this hotel is located in a historic district, it requires a certificate of appropriateness. The Landmarks Preservation Advisory Board which is advisory to the Planning Commission will be reviewing the hotel project for compliance with the historic guidelines in Article 10. There are opportunities at the Landmarks Board, the Planning Commission and at the Port Commission for review. The final say is that at the Planning and Port Commissions. If for some reason, the two could not agree on the design, it would ultimately go to the Board of Supervisors.

Commissioner Lazarus asked Ms. Sobol to sequentially, chronologically list the what's going to happen from this point on. Ms. Sobol replied that Stanford will circulate its draft EIR in the spring. The public will have 45 days to comment and look at the environmental impacts of the project. During this time, Port staff and Stanford will be negotiating the lease and the development agreement. The conditional use application has already been filed but it will continue to go through reviews with the Planning Department. Depending on if everything get accomplished by the time the ERN expires in November 30, 2005, assuming that the ERN gets certified by that date, Stanford will come back to the Port Commission for approval of the lease and the development agreement. It may also at that point have also gone to the Planning Commission for approval of conditional use and some of the other items that need to be approved. If not, those will happen during the development agreement phase of the project. Staff is trying to get to the end of this ERN period to give Stanford the development agreement under which it would operate the continuation of the regulatory approvals. There's Port Commission approval, Planning Commission's approval and the Board of Supervisors has to approve the lease and the street vacations.

Commissioner Lazarus asked if the Planning Commission or the Port Commission vote is pre-determined. Ms. Sobol replied that the Planning Commission does have to certify the EIR before all the other actions can occur. The conditional use may happen at that time depending if that also gets into the process. If not, it would have to go to the Planning Commission for the conditional use authorization. The Port Commission cannot act until the EIR is certified.

Commissioner Bierman asked what's required of the Commission today. Ms. Sobol replied that staff is asking the Commission to approve the work product provisions which are attached to Exhibit 1 to the staff report so that it can be attached to the ERN. The Commission has already extended Stanford's ERN period through November 30, 2005. There was a condition in that extension that Port staff comes back to the Commission to approve the language. The Commission is not approving the design, the lease, development agreement or any deals. The Commission is only approving the work product provisions to go into the ERN agreement.

Commissioner Bierman indicated that she sensed that people were unsure that the neighborhood is protected enough with these conditions. Ms. Sobol replied that these work product provisions are for the Port's advantage. They provide a way for the Port to obtain project materials that Stanford has generated. If we want them in the future, if for some reason, Stanford withdraws or abandons the project or the ERN terminates, it may never be exercised. We may never need them. We are not obligated to purchase any of the materials.

Commissioner Bierman indicated that it's a different procedure. Ms. Sobol concurred that this is the first time that these provisions were drafted in the ERN. Stanford still has to go through all the regulatory approvals. It has to come back to the Commission for approval of the design, the lease and development agreement. We have to go through the EIR process. This is one little aspect of the ERN.

Commissioner Bierman indicated that this is an unusual step to undertake. Ms. Sobol replied that it's not unusual for other parties. It is, however, the first time that we've been asked to negotiate these provisions.

Commissioner Hsu explained that it may be unusual in the sense that normally a resolution for an extension of the ERN would be included in the package. However, the Commission in July gave the developer an extension of a year and a half. Everything was negotiated except for one little item that staff was not done negotiating. So instead of waiting for that to be completed, the Commission gave the developer a go ahead to extend the ERN and staff will continue to negotiate the remaining issue. The Commission is now voting on whether to approve that issue which is an item to protect the Port in case the project sponsor either choose to abandon or does not achieve their goal so we can get a new project sponsor and we can inherit all the work and not lose time and put a new person as long as they pay for the work product. This provision protects the Port's interest in the project and its continuation without going back in time should that happen. It's a little unusual because normally these things are done at the same time. It was taken out of sequence. The Commission is approving the item to be incorporated into the ERN that the Commission approved in July. It does not change anything.

Ms. Moyer explained that when Stanford first approached Port staff with respect to their request for an extension to the ERN, she and the staff had various concerns and as a condition to making that recommendation to the Port Commission, set several conditions, one of which is to hire a community consultant which resulted in Jane Winslow's contract. Another condition was in recognition of the six years that the Port had been at the table working on this project, the opportunity cost, the hotel at Mission & Steuart is going to open before the EIR is certified. Port staff wanted to maintain the value of its investment in that work product. At the July Commission meeting, Mr. Lui did not agree to the provisions and asked for more time. That resulted in a holdover until August of this one provision. It wasn't initially taken out of sequence. However, it was done at the request of Mr. Lui. At the August meeting, the debate arose with respect to what is the value of the work product. Is it something that the Commission would want to have as an option? This is simply an option for the Port; it is not an obligation. The Commission has already extended the ERN based on the conceptual development plan that was presented in July. This is just one feature of that. That is a business deal. It has very little to do with the ultimate design of the project. To address the Commission's discomfort, Ms. Sobol has proposed an informational item or a workshop where we could hands-on work on those aspects of the project.

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 04-99 was adopted.

7. NEW BUSINESS / AGENDA SETTING

Ms. Moyer indicated that there are 11 action items for the January 11, 2005 meeting. Two of which will be on consent calendar. Two other items will be informational. The budget will be presented to the Commission at the first meeting in February and in the latter part of February, staff will present one policy and one program. At the Commission's direction, staff will figure out when to schedule a workshop or a hearing regarding the Embarcadero Hotel project. Staff will return to the Commission with a recommendation.

Commissioner Hardeman suggested to start the meeting at 2 p.m. on January 11, 2005. All of the Commissioners concurred. Commissioner Lazarus asked if staff will be able to return to the Commission in January with a recommendation for a workshop or a hearing. Ms. Moyer concurred.

8. PUBLIC COMMENT

Howard Pierson, USS Iowa, indicated that several years ago, the USS Iowa was launched and it is now in Suisun City. Bill Stephens and Merylin Wong have been the champions of this cause to get the ship to the wharf where it would be a major draw to tourists and local residents. The word "legacy and history" comes to mind when thinking about the Iowa. He was a 17-year old teenager on the battleship and has a place in his heart for her. Those who served this country hold that as the most significant time of their life. To have the veterans honored that way by having this battleship come to San Francisco would be an honor to the greatest generation. He thinks that the military, the City, the State will be well served to have the USS Iowa come to the City. It would enhance the generational pride, the profits, the economics and the industrial advantages to the City. He asked the Commission to continue its interest in it and cut through any red-tapes or problems that might be challenging to the battleship.

Merylin Wong, founding director and president of the Historic Ships Memorial at Pacific Square (HSMPS), the non-profit organization established to acquire custodianship of the Battleship Iowa for use as a museum and a memorial, spoke in reference to the historic vessel policy listed under Item 7 of the agenda. She expressed her appreciation to Director Moyer and Port staff for meeting with the Navy representatives on December 6, 2004. Captain Larry Jones and Gloria Carvello will be actively engaged in the process as to the final disposition of the vessel to which City it will be awarded. The symposium that they had invited the Commission to attend is a reflection of the tremendous community and worldwide interest in this project. The Police Department, Fire Department, the Chief of Staff of the Coast Guard's 11th District, City Commissioners, the highest member of the Naval community, Capt. Christine Carlock, who is charged with the Navy's budget as well as logistics for Fleet Week and the Korean Consulate General were in attendance. Senator Boxer issued the following statement: "I send my warmest wishes as you meet to discuss the final stages of homeporting the Iowa in San Francisco. For more than a decade, I have enjoyed working with you on your vision of bringing the Iowa to San Francisco and turning it to a museum for the community to enjoy." Like many others of the California Congressional Delegation and Senator Feinstein, Senator Boxer is waiting to hear about our progress, our discussions with Port staff in the designation of a pier or piers appropriate to

berth the ship. There is an ongoing competitive threat from a congressional delegation that wishes to send the ship to another port city. The earliest timeframe that the ship could become available is in the spring of 2007 - the delivery date the ship would be available for placement. That would put them in a position to act with the Commission jointly in a swift, specific and strategic manner. She urged the Commission to make a pier and/or piers immediately available for the ship. In the days, weeks and months ahead, they have the personnel, the readiness and are prepared to work with Port staff in anything that the Port has to conduct in terms of research or interviews with other naval ship memorials around the country.

Robert Frank, 4th generation San Franciscan and former tenant of the Port, encouraged the Commission to take up the Iowa issue. The homeporting of the Iowa in San Francisco will have no cost consequences to the Port. It will be a revenue enhancement project. There are no risks but lots of rewards. He hopes that the Commission will give their request some consideration.

Bill Stephens, thanked Port staff for receiving the U.S. Navy last week. Those talks were extraordinarily productive and reinforced the Navy's true appreciation of this wonderful port city. He read a letter from the Franklin and Eleanor Roosevelt Institute regarding the designation of the USS Iowa in San Francisco as the 5th presidential site. It means that San Francisco will have the distinction of having the only presidential site in a port city. "The Franklin and the Eleanor Roosevelt Institute is delighted to endorse wholeheartedly the grand project to create a museum on the USS Iowa in San Francisco. The Roosevelt Institute looks forward to collaborating with the staff of the HSMPS and shaping the interpretation of FDR as a war-time leader and help link this newest FDR site with those of Hyde Park, Campobello, Warm Springs and Washington, D.C. (the FDR Memorial)." The Chief of Legislative Affairs of the U.S. Navy has been notified of the Congressional interest by the State of California to bring the ship to San Francisco, which means articles of legislation will be introduced to reclassify the ship. They have met with the Pier 39 management. They are very enthusiastic and encouraging that the ship be berth in San Francisco. They worked with the Fire Department, Peter Schembri and Paul Chen, and their own damage control personnel in preparing the ship. The Carrier Midway went to San Diego. She's been open for six months and approximately 480,000 visitors have visited her so far. She's over \$1 million ahead in its net bottom line, an indication of what the Iowa could bring to San Francisco. As Ms. Wong mentioned, there is a threat. A congressional representation in Stockton is after the ship. San Francisco has a superb port. With the historic ship policy, he knows that the Commission will designate a historic pier. He urged the Commission to designate the USS Iowa as soon as possible as the appropriate ship based on the economic, community, and social benefits she will bring to the City. No other historic ship can compare with the Iowa. If all parties act in a decisive manner, this is the best defense against a competing city and ensures a multi-faceted success for the Port of San Francisco.

Russ Farnell, HSMPS, indicated that he was fortunate to be asked to help on the engineering committee that is preparing the proposal, the documentation needed for when the ship arrives. They are currently working on how they are going to handle the people, safety and other issues needed to make a good proposal for the Port and the Navy when the time comes. They can plan on the ship but there is an element that will make it complete i.e. a designated berth for the ship. He asked the Commission's consideration in helping them to

get this planning started. Hopefully, they would have everything prepared in advance for any competitors for this ship.

Edward Von der Porten, former director of the Treasure Island Museum, Navy/Marine Corps Coast Guard Museum on this coast, Retired, studied historic ships nationwide for a long time. This is a great opportunity for San Francisco. The opportunities for the Port in terms of tourism, education including fine museum component and revenue for the Port, in the words of Winston Churchill's - the benefits argue themselves. He made the Commission aware about the timeline in acquiring the ship. The Congress could take an action in terms of designating the ship for donation status for anyone to compete for or it could be for California or for a specific port. It's our ship to lose and they'd like win it. They look forward to a rapid action on this matter and bring a wonderful asset to San Francisco.

In the interest of the Port and the people of San Francisco, Ernestine Weiss, Golden Gateway Commons, suggested that when the Port finds the money, the Commission meetings could be televised so that people will be properly noticed and they won't be left out of the process. The Port Commission is one of the most important commissions in the City. She hopes that next year would be an economically profitable for the Port.

9. EXECUTIVE SESSION

- A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

At 5:05 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS. (Discussion and/or Action Items)

- a. Discuss existing litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (2 cases):

- Yeun Kiw Low v. City & County of San Francisco, San Francisco Superior Court Case 04-429325.
- Alioto Fish Company, Ltd. v. City & County of San Francisco, San Francisco Port Commission, SF Superior Court Case No. OGC-04-436825.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.

*This session is closed to any non-City/Port representative. **

- a. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Marine Terminals Corporation (MTC): Don Wylie, Executive Vice President
- b. Property: Pier 9
Person Negotiating: Port: Peter Dailey, Director of Maritime
*San Francisco Bar Pilots: Ken Levin
- c. Property: Pier 92
Person Negotiating: Port: Mark Lozovoy, Asst. Deputy Director of Real Estate
*Specialty Crushing: Tom Chasm
- d. Property: Pier 15
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Exploratorium: Chris Meany, Developer
- e. Property: Pier 23
Person Negotiating: Port: Monique Moyer, Executive Director
*Pier 23 Café: Flicka McGurrian

10. RECONVENE IN OPEN SESSION

At 6:58 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Hardeman moved approval to adjourn executive session and reconvene in open session; Commissioner Bierman seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner Bierman seconded the motion. All of the Commissioners were in favor.

11. COMMUNICATIONS

12. ADJOURNMENT

ACTION: Commissioner Hardeman moved approval to adjourn the meeting; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

Commissioner Hsu adjourned the meeting at 6:59 p.m.



